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RESEARCH ARTICLE
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A Systematic Literature Review on Theories Utilized Investigating Third-Parties in Sustainable Supply Chain Management

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Abstract

The purpose of this article is to revise the literature on how theories have been utilized in investigating third-parties (for example, Non-Governmental Organizations, certifying organizations, among others) in Sustainable Supply Chain Management. Based on that, we derive future research directions. For revising the literature in a structured manner, the articles use the systematic literature review as the method of choice. Only half of the identified articles utilize theories for investigating third-parties in Sustainable Supply Chain Management. In addition, major theories are overweighed. This predomination leads to influencing the conceptualization of third-parties in Sustainable Supply Chain Management. Future research opportunities exist in broadening the utilization of theories and methods applied in the field, investing in under-explored aspects and broadening the scope of testing and building frameworks. Based on the synthesizing, propositions supplement future research directions. The novelty of this article lies in its investigation of how theories have been used in investigating and conceptualizing third-parties in Sustainable Supply Chain Management. By that, it contributes with a state-of-the-art view on the important topic of sustainability and how third-parties could solve sustainability challenges. With that, the article is a first attempt and step for extending the academic literature and practice with rethinking classic ways of managing sustainability and utilize out of the box ideas.

Keywords: Supply Chain Management, Sustainability, Systematic Literature Review, Third-Parties

SCSTI: 82.01.11
JEL Code: Q01, Q56, M14, M16

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1. INTRODUCTION

Globalization, climate change, and the increasing world population changed the business environment for firms over the last decades. Driven by suppliers, customers and political requirements, firms realize the need to enhance further and consider sustainability, i.e. considering economic, ecological and social aspects simultaneously, in their supply chains. Considering of many interests in their supply chain management makes sustainability a challenging agenda for firms. However, we are still at the beginning of this journey, as a recent report by Bain & Company shows that only 4% of the firms surveyed have fully achieved their sustainability goals (Davis-Peccoud et al., 2018).

Incidents like the Rana Plaza collapse showed that manufacturers in the global north as responsible by their customers for their supply chain in the global south (Clean Clothes Campaign, 2013). A vignette-based study supports this view, showing that consumers ascribe responsibility for supply chain governance to the purchasing company (Hartmann & Moeller, 2014; Rao, 2002). Logically, firms want to avoid e.g. reputational damage, by ensuring that their global business partners, mainly suppliers, comply with the firms` understanding of sustainability (Reuter et al., 2010). This has led to a shift of tasks and responsibilities in the supply chain for firms (Woetzel et al., 2020). Ensuring sustainability in supply chains is generally a very complex issue, as social and environmental sustainability, unlike economic sustainability, is focused on many suppliers, customers, and relevant dimensions and key figures. In order to deal with these challenges and meet self-defined commitments, firms are using strategies like buying certified products, mapping and monitoring the supply chain, participating in programs and initiatives or engaging and collaborating with others. The increased development of concepts managing sustainability in supply chains shows that supply chain management plays an important role and thus increases in its complexity.

However, firms such as Mars have noticed that they need help transforming their supply chains regarding sustainability or solely relying on internal mechanisms. Mars began working with various actors to achieve its sustainability goals in its supply chain (Ionova, 2018).

Still, the literature needs to gain knowledge and remain unclear in which way and to what extent these different actors (following called third-parties) enhance firms' Sustainable Supply Chain Management (SSCM). Third-parties are organizations like NGOs, competitors, firms from the same industry, or standardization organizations.

Academic literature calls for the inclusion of third-parties in SSCM research (Pagell & Shevchenko, 2014) and stresses the supporting character of divergent stakeholders (Gimenez & Tachizawa, 2012). While some stakeholders are more interested in social issues, others focus on ecological issues (Pagell & Shevchenko, 2014). While some stakeholders draw their attention to firms solely, others exert pressure on firms or offer firms their specific resources (Ciliberti et al., 2011; Gimenez & Tachizawa, 2012; Rodríguez et al., 2016). As stated, research has mostly overlooked third-parties in the supply chain as valuable contributors and looked at SSCM solely viewing the traditional buyer-supplier dyads (Soosay & Hyland, 2015). It is thus important to narrow down and focus on third-parties. Looking at third-parties is interesting and necessary for various reasons.

Third-parties own knowledge and expertise firms might not have. This could be, on the one hand, external knowledge like technical knowledge on processes for auditing or controlling sustainability-related processes. On the other hand, the knowledge could be network-related in terms of providing access to networks with different partners like other NGOs at the sourcing point or bringing together actors from different regions and with different interests at e.g. conferences.

As third-parties could have no contractual relationship with firms, they have an intermediary position and are not influenced by the firms. This relationship brings the advantage that third-

parties have a high degree of freedom in e.g. criticizing firms.

Well known academic articles have been published contributing to the spread of knowledge and the maturity of the field on SSCM (e.g. Carter and Easton (2011), Carter and Rogers (2008), Carter et al. (2015), and Seuring and Müller (2008)). However, some of these authors acknowledge the lack of theory utilization and call for a more sophisticated use (Carter & Easton, 2011). This is alarming as theory is critical to sound results and can provide insights. Using theoretical perspectives increases knowledge creation quality (Walton et al., 1998) and enhances the reliability of the results. This ultimately leads to building a fundamental understanding of aspects as empirical evidence complements theoretical works.

Although, to grow as a discipline SSCM needs a theoretical base, whether from well-established concepts or looking for the unknown from a grounded perspective (Carter & Easton, 2011). In order for researchers to provide theoretically based research, the first step must know what theories and how they have been applied. In light of these past shortcomings, the aim of this article is to provide a holistic review of the theories utilized in investigating third-parties in SSCM. Hence, we believe that the missing holistic investigation and inclusion of third-parties in SSCM and how theories have been applied for investigation undermines the field to growth and prevents further insights.

Therefore, this article's primary motivation is to understand better and identify the use of theories in SSCM regarding third-parties and guide future research. In particular, we aim to investigate the following research questions:

1) What are the dominant theories used in the field?

2) How have theories been used for investigating third-parties in SSCM?

3) What are fruitful research directions?

To answer these questions, we use the systematic literature review approach, which suits our aims of mapping the theories and their applications regarding third-parties.

Previous reviews in the field have primarily focused on either the dimension of sustainability, a broad focus on stakeholders or ignoring actors about the theories used (Carter and Rogers (2008), Seuring and Müller (2008), Touboulic and Walker (2015)). In particular, theoretical perspectives have not been a primary focus of past reviews. If any, theory was considered briefly in a subsection (e.g. in Carter and Easton (2011)) or did not further drill down the theoretical application regarding third-parties (e.g. Touboulic and Walker (2015)).

Hence, the novelty of this review lies in its focus on theory application in SSCM regarding third-parties. Therefore, this article makes following contributions. First, it provides academic literature on third-parties as actors in SSCM. Second, it provides an investigation, as first of its kind, on the theoretical perspectives utilized for investigation. Based on that, it proposes future research opportunities.

The article is structured as follows. First, we briefly introduce the methodological steps of the systematic literature review. Second, we provide descriptives and afterwards show how theories have been used for investigating third-parties in SSCM. Third, based on the findings, we propose future research directions.

2. METHODOLOGY

2.1 Planning literature search and identifying relevant literature

The systematic literature methodology starts with the definition of which criteria should be met by the literature searched (Denyer & Tranfield, 2009). In various journals journals, we sampled the articles rather inclusive and did not search in pre-selected journals (Denyer & Tranfield, 2009; Durach et al., 2017). To meet a minimum quality, we applied quality-related criteria using the Journal Impact Factor of the Journal Citation Report 2017 with at least a rating

of 1 (Schorsch et al., 2017; Tarí, 2011). If the journal was not ranked in the Journal Citation Report we applied the Academic Journal Guide 2018 by the Chartered Association of Business Schools ranking of three or higher (Nurunnabi et al., 2018). Second criterion was the focus on articles published between 1987 and 2019. We chose 1987 as the starting point as it was the year in which the Brundtland Report was published (Brundtland, 1987), which was the first definition of sustainability in modern society and is still used. Third, we set the scope on English articles only, as English is the research language and ensures the accessibility and comparability of the results internationally.

Next, considering quality-related and content-related criteria presents in Table 1.

TABLE 1. Inclusion & exclusion criteria for articles

	Inclusion & exclusion criteria for articles	**Rationale for utilizing the inclusion & exclusion criteria for articles**
Quality-related criteria	Peer reviewed articles in journals with impact factor ≥ 1.0 in the Journal Citation Report 2017 and if not applicable using Academic Journal Guide 2018 ≥ 3.	To ensure minimum quality level and reduce sampling bias.
Content-related criteria	Review scope is on articles published since 1987.	First introduction of "Sustainability"-definition by Brundtland Report.
	Article language is in English.	English is the research language and ensures accessibility and comparability of the results.
	Sustainability includes at least ecological or social dimension.	Articles solely dealing with economic sustainability are excluded.
	Third-party and its contribution.	Definition of third-party based Clarkson (1995) secondary stakeholder. Furthermore, the third-party needs to have a contribution in the studies' result part.
	Examining inter-organizational view.	Publications should look at the supply chain from an inter-organizations view rather than from an intra-organizations (internal) view, as this article focuses on supply chains.
	Original Research (i.e., literature reviews, editorials, and meta-theories were excluded).	This article is looking for original theoretical and empirical contributions as they shed new light on research and are more precise and specific in terms of their unit of analysis.
Note: Compiled by authors		

Content-related criteria ensured that we met relevant literature and narrowed it down to our scope. We therefore build the search string consisting of three categories: sustainability-related, third-party-related, and supply chain-related. The first prerequisite was the inclusion of sustainability criteria whether ecological and/or social in possible combination with the economic pillar. Here we excluded humanitarian logistics/supply chains or disaster relief-related articles as we only focus on traditional management articles having a focus on ensuring sustainability in business supply chains. Furthermore, we excluded articles on the willingness to pay using, e.g. eco-labels. The research objective is not to tackle environmental or social sustainability

challenges. Instead, it is to see consumers' behavior, i.e. the willingness to pay a price premium. Second, the article needed to contain a contribution of a third-party, which is defined according to Clarkson (1995) and our previous discussion. In addition, we only included articles in which the third-party contributes to the inter-organizational supply chain in the findings section. Third, the publication looks at the supply chain from an inter-organizational rather than an intra-organizational (internal) view as we focus on supply chains. Here, we focus our search on articles dealing with a business relationship of for-profit organizations and respectively excluded articles dealing with e.g. hospitals, countries or NGOs' supply chain management. This is in line with our focus on business supply chains. We excluded articles where the third-party did not contribute to the inter-organizational supply chain. Our last applied quality criteria were the originality of the research regarding its type and source of data. In this step, we excluded articles like literature reviews, editorials and meta-theories relying on secondary or tertiary data as we focus on original research. Only original research sheds new light on the research as they are rigorous and traceable in applied methods and are more precise and specific in terms of their unit of analysis.

To understand the relevant terms and increase the sample's quality, we compiled a list of keywords used in prior works in the sustainability and supply chain domain. We based this first sampling of keywords on publications by Gimenez and Tachizawa (2012), Pilbeam et al. (2012), Kembro et al. (2014), and Tachizawa and Wong (2014). This starting list of potentially relevant keywords was extended iteratively by relying on our first unsystematic search. Following Durach et al. (2017), experts and scholars were further included to discuss and refine the search string to maximize the number of relevant hits while minimizing the number of irrelevant ones (Duff, 1996). We divided the keywords into the following categories: third-party, sustainability and supply chain management. The keywords were then used to build the search string using Boolean connectors (AND, OR) and were combined with the asterisk wildcard (*) (see following table).

TABLE 2. Search strings for database search

Database	Search string
Business Source Complete	(TI(stakeholder* OR "multi-stakeholder*" OR initiative* OR partner* OR alliance OR association OR "third part*" OR "third-part*" OR nontraditional OR "non-traditional" OR "non-corporate" OR nonprofit OR "non-profit" OR nongovern* OR "non-govern*" OR NGO OR "cross-sector" OR "bridging organi&ation*" OR intermediar* OR „non chain actor*" OR „non-chain actor*" OR „multi-sector*" OR „multi sector*" OR "non-business*" OR "horizontal collaboration" OR certif* OR standard* OR audit*) OR AB(stakeholder* OR "multi-stakeholder*" OR initiative* OR partner* OR alliance OR association OR "third part*" OR "third-part*" OR nontraditional OR "non-traditional" OR "non-corporate" OR nonprofit OR "non-profit" OR nongovern* OR "non-govern*" OR NGO OR "cross-sector" OR "bridging organi&ation*" OR intermediar* OR „non chain actor*" OR „non-chain actor*" OR „multi-sector*" OR „multi sector*" OR "non-business*" OR "horizontal collaboration" OR certif* OR standard* OR audit*) OR DE(stakeholder* OR "multi-stakeholder*" OR initiative* OR partner* OR alliance OR association OR "third part*" OR "third-part*" OR nontraditional OR "non-traditional" OR "non-corporate" OR nonprofit OR "non-profit" OR nongovern* OR "non-govern*" OR NGO OR "cross-sector" OR "bridging organi&ation*" OR intermediar* OR „non chain actor*" OR „non-chain actor*" OR „multi-sector*" OR „multi sector*" OR "non-business*" OR "horizontal collaboration" OR certif* OR standard* OR audit*))

	AND (TI(sustainab* OR CSR OR "social* responsib*" OR environment* OR green OR ecologic* OR compliance OR governance) OR AB(sustainab* OR CSR OR "social* responsib*" OR environment* OR green OR ecologic* OR compliance OR governance) OR DE(sustainab* OR CSR OR "social* responsib*" OR environment* OR green OR ecologic* OR compliance OR governance)) AND (TI("supply chain*" OR SCM OR "suppl* network*" OR interorgani?ation* OR "inter-organi?ation*" OR purchas* OR procur* OR buyer OR supplier OR "value chain*") OR AB("supply chain*" OR SCM OR "suppl* network*" OR interorgani?ation* OR "inter-organi?ation*" OR purchas* OR procur* OR buyer OR supplier OR "value chain*") OR DE("supply chain*" OR SCM OR "suppl* network*" OR interorgani?ation* OR "inter-organi?ation*" OR purchas* OR procur* OR buyer OR supplier OR "value chain*"))
ABI Inform	(TI(stakeholder* OR "multi-stakeholder*" OR initiative* OR partner* OR alliance OR association OR "third part*" OR "third-part*" OR nontraditional OR "non-traditional" OR "non-corporate" OR nonprofit OR "non-profit" OR nongovern* OR "non-govern*" OR NGO OR "cross-sector" OR "bridging organi&ation*" OR intermediar* OR „non chain actor*" OR „non-chain actor*" OR „multi-sector*" OR „multi sector*" OR "non-business*" OR "horizontal collaboration" OR certif* OR standard* OR audit*) OR AB(stakeholder* OR "multi-stakeholder*" OR initiative* OR partner* OR alliance OR association OR "third part*" OR "third-part*" OR nontraditional OR "non-traditional" OR "non-corporate" OR nonprofit OR "non-profit" OR nongovern* OR "non-govern*" OR NGO OR "cross-sector" OR "bridging organi&ation*" OR intermediar* OR „non chain actor*" OR „non-chain actor*" OR „multi-sector*" OR „multi sector*" OR "non-business*" OR "horizontal collaboration" OR certif* OR standard* OR audit*) OR SU(stakeholder* OR "multi-stakeholder*" OR initiative* OR partner* OR alliance OR association OR "third part*" OR "third-part*" OR nontraditional OR "non-traditional" OR "non-corporate" OR nonprofit OR "non-profit" OR nongovern* OR "non-govern*" OR NGO OR "cross-sector" OR "bridging organi&ation*" OR intermediar* OR „non chain actor*" OR „non-chain actor*" OR „multi-sector*" OR „multi sector*" OR "non-business*" OR "horizontal collaboration" OR certif* OR standard* OR audit*)) AND (TI(sustainab* OR CSR OR "social* responsib*" OR environment* OR green OR ecologic* OR compliance OR governance) OR AB(sustainab* OR CSR OR "social* responsib*" OR environment* OR green OR ecologic* OR compliance OR governance) OR SU(sustainab* OR CSR OR "social* responsib*" OR environment* OR green OR ecologic* OR compliance OR governance)) AND (TI("supply chain*" OR SCM OR "suppl* network*" OR interorgani?ation* OR "inter-organi?ation*" OR purchas* OR procur* OR buyer OR supplier OR "value chain*") OR AB("supply chain*" OR SCM OR "suppl* network*" OR interorgani?ation* OR "inter-organi?ation*" OR purchas* OR procur* OR buyer OR supplier OR "value chain*")

	OR SU("supply chain*" OR SCM OR "suppl* network*" OR interorgani?ation* OR "inter-organi?ation*" OR purchas* OR procur* OR buyer OR supplier OR "value chain*"))
Note: Compiled by authors	

For the following reasons, we looked for relevant management literature in two full-text databases: Business Source Complete (by EBSCO) and ABI/Informs (by Proquest). First, this approach reduces the sampling bias, as acknowledged by Durach et al. (2017) and is applied by Schorsch et al. (2017), Tachizawa and Wong (2014), Tarí (2011), Soosay and Hyland (2015), and Nurunnabi et al. (2018). Second, the utilization of two databases suits our multi-disciplinary scope, particularly regarding the broad existence of different third-parties. Third, using more than one database, we are able to increase the completeness and match relevant literature for our research objective. The search was conducted in publication titles, abstracts and their respective descriptors (EBSCO) or subjects (ABI) for publications between 1987 and December 2019. To reduce the number of irrelevant hits, we pre-selected academic articles and journals only, English-language articles, and set the filter for publications from 1987 onwards as stated above. We started with the Business Source Complete database and retrieved a sample of 5,897 hits. After removing duplicates and non-English articles that passed the database search, we got a sample of 5,823 articles. The ABI/Informs database completed our sample. After applying the above-mentioned criteria of the Business Source Complete database to the ABI Informs database, we retrieved another 2,284 articles leading to a final sample of 8,107 potentially relevant articles. We then applied the quality-related criteria relying on the Journal Impact Factor of the Journal Citation Report 2017 with a rating of 1 or higher (Schorsch et al., 2017; Tarí, 2011). If the Journal Impact Factor was not applicable, we referred to the Academic Journal Guide 2018 by the Chartered Association of Business Schools ranked three or higher, as used by Nurunnabi et al. (2018). This led to our final sample of 4,363 potentially relevant articles.

2.2 Selection of literature

The potentially relevant articles were screened based on the abstracts using a coding sheet. The coding sheet ensured including and excluding articles based on our pre-defined content-related criteria. The decision based on the abstract was rather inclusive to ensure that every potentially relevant article was included. This ensured including relevant articles due to the diversity of third-parties and SSCM. Of the potentially relevant articles, 256 fit our scope. The full article analysis yielded a final sample of 51 publications. Most of the excluded research either dealt with a dyadic view of focal firms and third-parties with no indication that they regard the supply chain from an inter-organizational perspective or contribution and rather provide insights on the intra-organizational contribution of a third-party on the firms' internal management like process improvements. Other articles were excluded due to their focus on the collaboration between focal firms and suppliers without taking into consideration a third-party and its contribution. Other articles were excluded due to their use of secondary data, like systematic literature reviews.

3. FINDINGS AND DISCUSSION

3.1 Descriptive results

3.1.1 Distribution of articles over time

Although the search for articles started in 1987, the first articles meeting our criteria appeared

from 2002 onwards. The following decade, the publications were on a relatively low level ranging from one to three publications a year. From 2015 on, there has been a strong increase and thus, from our point of view, signalling a strong interest in the topic. An explanation for that is the Rana Plaza Collapse in 2013, which affected the interest in sustainability topics worldwide. Due to the delay in research and publication processes, we see an increase in 2015. The majority, more than half of the articles, are published beginning of 2017. This shows that the topic has gained very recent relevance in research. An explanation for that could be the Paris Agreement for Climate Action in late 2017, which further increased the interest in ecological topics besides social ones. This interest is then clearly increasing in 2018, as the number of relevant articles has more than doubled compared to 2017.

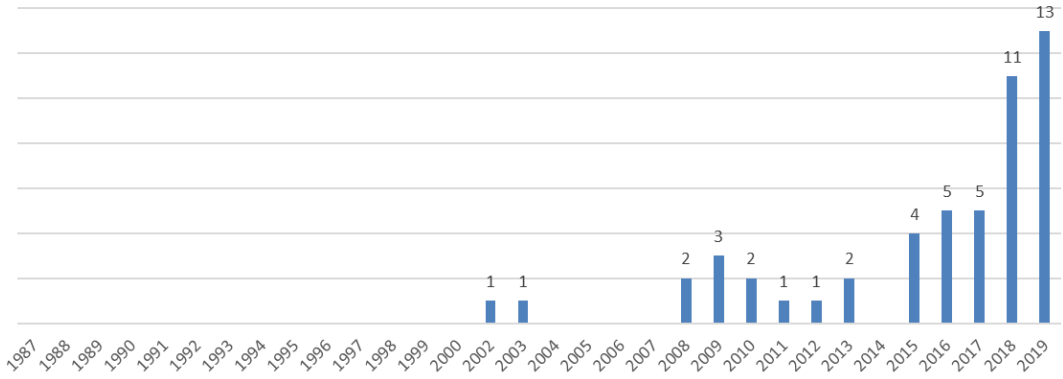

FIGURE 1. Distribution of number of articles per year

Note: Compiled by authors

3.1.2 Distribution of articles in journals

The distribution of articles across journals is equilibrated. Each journal is responsible for at most five articles, corresponding to about 10% of the published articles. This indicates that the topic of third-parties has attracted the interest of different fields of research. Interestingly, no SCM-specific journals are among the top 3 journals by many articles. This shows that, on the one hand, the interest for third-parties as actors in sustainable supply chains is not yet "mainstream" in the SCM discipline. On the other hand, it also shows multi-disciplinary interest. Despite the variety of publications in journals, with the low number of relevant articles, we have to underpin that third-parties are so far a purely understudied topic.

TABLE 3. Distribution of articles in journals

Journal	Count
Business Strategy and the Environment	5
International Journal of Production Economics	5
Journal of Cleaner Production	4
Journal of Business Ethics	3
Corporate Social Responsibility and Environmental Management	3
International Journal of Physical Distribution & Logistics Management	3
Regulation & Governance	2
International Journal of Operations & Production Management	2
Production and Operations Management	2

ILR Review	2
Supply Chain Management: An International Journal	2
Journal of Economic Geography	1
Journal of Supply Chain Management	1
Journal of Industrial Ecology	1
International Journal of Operations and Production Management	1
Electronic Commerce Research and Applications	1
Environmental and Resource Economics	1
Journal of Environmental Economics & Management	1
Ecological Economics	1
Journal of Operations Management	1
Production Planning & Control	1
New political economy	1
Asia Pacific Viewpoint	1
Accounting, Auditing & Accountability Journal	1
Annals of Operations Research	1
Agriculture and Human Values	1
Sustainable Development	1
Accounting and Business Research	1
Journal of Agrarian Change	1
Total	**51**
Note: Compiled by authors	

3.2 Theory application in third-party-SSCM literature

3.2.1 Importance of theory

In order to provide insights from the past and giving opportunity to the future we developed this review by looking from various perspectives on the field. The key element for this section is the theory, as it is a prerequisite to publication in top journals (Carter & Easton, 2011). Whether to confirm existing theories or develop new ones, they all work toward the same goals – enlighten blind spots and contribute knowledge to a certain objective. This leads to building a fundamental understanding of aspects, which is the aim of this article. In particular, this is necessary for understanding third-parties as actors in SSCM and, by that establishing SSCM as an academic and practice-based part of the SCM discipline. With that, we close the academic-practice gap, as theoretical work needs to be based on and complemented with empirical evidence. However, there is a risk when using well-established theories: missing new perspectives as the theory specifies where to look. Although understanding third-parties and growing as a discipline, SSCM needs a theoretical base, whether it is coming from well-established concepts or looking for the unknown from a grounded perspective (Carter & Easton, 2011). For researchers to provide theoretically based research, the first step must know what theories and how they have been applied. In light of these past shortcomings, we provide a holistic review of theories for investigating third-parties in SSCM.

3.2.2 Theories applied

There has been a lack of effort in research to build on the existing theories to develop new perspectives. Only a small proportion of articles use theories as a basis. Thus, in more than half of the articles, authors tend to present their empirical findings without attempting to explore theoretical concepts. Of the theories used, the focus is mainly on major theories traditionally assigned to other academic fields. In particular, Stakeholder Theory, Transaction Cost

Economics, and Institutional Theory are among the top three theories used, consistent with Touboulic and Walker (2015). Figure 2 shows that the three theories proportionally are more cited and used. In particular, they sum up to more than 40% of the papers utilizing these top three theories. Some articles use more than one theory.

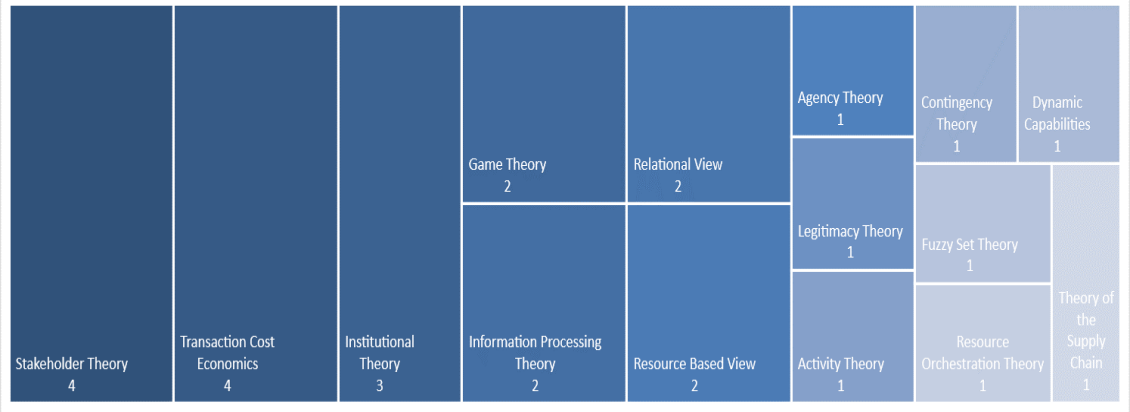

FIGURE 2. Theories applied with count of articles utilizing the respective theory

Note: Compiled by authors

This explains why the numbers in the figure do not add up to the total number of articles. However, the import and use of existing theories to develop the understanding of third-parties and their role in SSCM needs to be improved. First, authors need to assess the compatibility of the theories they use because they were developed in a particular context and discipline and may only apply to those contexts. This means that articles may need to remember important parts of the objective they are trying to investigate (Carter & Easton, 2011; Touboulic & Walker, 2015). Despite the use of major theories and their shortcomings, we see that articles overall use a variety of theories, but only in a low volume. This indicates that the research field is still growing and hopefully, more minor theories will be used in the future. Only half of the articles are theoretically grounded or supporting theory extension, which is alarming as theory is key to sound results and can provide insights. So, one could state that research on third-parties in SSCM is actually divided in descriptive research as well as limited and fragmented in theoretical contributions. From our point of view, this shows that the field is still immature regarding its theoretical contributions, which is in line with other reviews in SSCM (Hoejmose & Adrien-Kirby, 2012; Pagell & Shevchenko, 2014; Touboulic & Walker, 2015).

3.2.3 Theory and research methods applied

3.2.3.1 Research methods applied

This research provide insights into the applied methods to understand the intersection of theory and methods. The vast majority of the articles are empirical. However, the articles are qualitative. In particular, case studies are the method of choice, indicating that the topic of third-parties in SSCM is still in an intermediary stage of development and is still gaining maturity. Only one article tries to bridge the gap and combines qualitative with quantitative research methods. Therefore, we see that the focus is still on penetrating the issue in depth. Due to the qualitative articles, a fragmented picture has developed so far. With our review, we provide an overview of this fragmented picture.

TABLE 4. Research methods applied

	Empirical	Non-Empirical	Sum
Qualitative	**35**	**1**	**36**
Action Research	1	0	1
Case Study	33	0	33
Conceptual	0	1	1
Design Science Approach	1	0	1
Qualitative/Quantitative	**1**	**0**	**1**
Quantitative	**9**	**5**	**14**
AHP	0	1	1
Cluster Analysis	1	0	1
Experiment	1	0	1
Modelling	0	4	4
Regression Analysis	2	0	2
Structural Equation Modelling	2	0	2
others	3	0	3
Sum	**45**	**6**	**51**
Note: Compiled by authors			

3.2.3.2 Theories and methods applied across the articles

In the first step, we have looked at the importance and utilization of theory in the literature. After we have described the methods applied, we now look at how theory and method match. Overall, we see a strong focus on qualitative work, whereas just half of the articles contribute qualitatively to a theoretical perspective. In particular, a case study is the method of choice. From a theoretical perspective, we see that the top theories used are major theories with no specific association with sustainability or SCM. While on the one hand, relying on these mature theories means that concepts are "fire-proofed" it also means that they are 1) rooted in their discipline, 2) are developed long ago, and 3) bringing empirical specifications with them like firm characteristics or social consensus at the time the theory was developed. This risks that using the theories "the new" or "the unknown" is, if at all, recognized in another perspective than it could be by using a more modern theory. So, it seems that the knowledge we have regarding third-parties in SSCM we just know from a few articles looking with the same "goggles".

Quantitative research has played a minor role so far. Research on third-parties in SSCM has not found a certain level of maturity yet where we can see that knowledge is considered an asset, and proxies can be deducted from the theories to investigate specific objectives. We can argue that research is still on an experience level meaning that doing research is like a journey rather than "spot-oriented".

TABLE 5. Theories and methods applied across the articles

	Method		
Theory	**qualitative**	**quantitative**	**mixed**
Stakeholder Theory	2	2	
Transaction Cost Economics	3	1	
Institutional Theory	1	2	
Game Theory		2	
Information Processing Theory	2		
Relational View	1	1	
Resource Based View	1	1	

Agency Theory	1		
Legitimacy Theory		1	
Activity Theory			1
Contingency Theory	1		
Dynamic Capabilities	1		
Fuzzy Set Theory		1	
Resource Orchestration Theory	1		
Theory of the Supply Chain	1		
Note: Compiled by authors			

3.3 Analysis on how theories have been used for investigating third-parties in SSCM

The following analysis focuses on the top three major theories identified in the descriptive section. This procedure is valid in the first step for the following reasons. First, major theories have a long-lasting history and are contextually rooted, leaving little room for building but instead testing the theory. However, as they originate in other disciplines, it is valuable to look at them as a first step to providing a holistic picture. Second, for the sake of limitation, we argue for focusing first on these major theories utilized as, from our point of view, they are at the forefront of research and with that providing momentum to the research field. Thus, this provides the opportunity to derive future research directions. Third, we used this approach as it is established by Touboulic and Walker (2015) and builds on a common understanding in academia. In each section, we first outline the individual articles and their findings. We summarise and synthesise the findings at the end of each section.

3.3.1 Stakeholder Theory

Key assumption of the Stakeholder Theory is that constituents (following called stakeholders) influence the firm. As such, stakeholders are defined as "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 2014, p. 25). The relationship stakeholders have with firms comes from the firms' operations producing externalities and in turn affecting the stakeholders. The stakeholders can be viewed as internal (i.e. employees) or external (i.e. members of the community). In particular, both try to reduce the negative and increase the positive externalities (Zhu & Sarkis, 2004). Other authors view stakeholders from a primary and secondary perspective (Clarkson, 1995). The difference regarding them from an internal and external perspective lies in the view of the influence they have. Primary stakeholders directly influence the firms in close business relationships, whereas secondary stakeholders influence firms by influencing primary stakeholders or advocating for others. In this sense, primary stakeholders are for example, suppliers, employees, and customers. Secondary stakeholders are nongovernmental organizations, governments etc., which reflect our understanding of third-parties. Clarkson (1995) complements that in particular, governments play an extra role as they provide infrastructure, regulations, and laws that must be obeyed. However, stakeholders play a vital role in exerting pressure on firms to behave sustainably in their supply chains. Accordingly, firms respond to the claims of stakeholders to legitimize their existence and license to operate (Freeman, 2014).

Mani and Gunasekaran (2018) use the Stakeholder Theory to investigate the stakeholder forces on firms and their influence on enhancing their social sustainability in supply chains. Their results show that external stakeholders have a high value in exerting pressure on firms due to the lack of regulation and its inefficiencies. In particular, they show that the pressure positively links to firms adopting social sustainability.

Park-Poaps and Rees (2010) investigate stakeholder forces, which lead to an orientation on social sustainability as Mani does. They found two dimensions relevant to our research objective: internal direction and external partnership. Their results show that industry peers are significant for the internal direction and to the external partnership. In particular, they show that industry peer pressure builds internal values for firms working towards sustainability. Nevertheless, they also show that industry peers pressuring the firms towards working on sustainability in their supply chains regarding their suppliers.

Thorlakson (2018) uses the Stakeholder Theory to investigate why and how firms change their sourcing practices. His results show that stakeholder forces influence the sourcing practice preferred by firms. While in the beginning, firms utilized industry initiatives due to pressure by the media, they turned to utilize a commitment to sustainability certification. NGOs started to question and pressure firms, so they changed towards own-supply chain programs individually working on suppliers' sustainability.

Huq et al. (2016) take up the findings from Mani and Gunasekaran (2018), Park-Poaps and Rees (2010) and Thorlakson (2018). They investigate how external factors lead to the development of social management capabilities for ensuring social sustainability in supply chains. Their findings show that disasters like the Rana Plaza collapse is a trigger for stakeholders. In turn, the stakeholders following exerting pressure on firms to transform and enhance their sustainability agenda in their respective supply chains. In particular, they show that firms with low- or medium-level social management capabilities were motivated due to the pressure to develop more outstanding social management capabilities quickly. The buying firm following developed auditing capabilities to audit its suppliers on sustainability.

Stakeholder Theory has been used to investigate the influence of third-parties on firms. The attention of the third-parties on the firms stem from the activities of the firms, which third-parties see as relevant to them. In particular, Mani and Gunasekaran (2018), Park-Poaps and Rees (2010) and Thorlakson (2018) show that third-parties have a high impact on the firms' SSCM. Huq and others take up on the findings and extend the results showing that the pressure of third-parties leads to firms building up social management capabilities, i.e. audit capabilities for ensuring sustainability in their supply chains (Huq et al., 2016). However, Thorlakson (2018) shows that stakeholders have a changing role with different interests regarding the currently used governance approach. Their changing role means that different third-parties address the firms in different ways. This is in line with findings of Huq et al. (2016), as industry shocks leading to increased pressure of third-parties triggering and driving the sustainability agenda of firms. This also means, that from time to time industry shocks lead to a recalibration and shift of third-parties' focus, which in turn leads to differing sustainability agendas of firms. Besides showing the positive results of stakeholders on the transformation of SSCM they show that policies and regulations alone are only effective if other third-parties are monitoring or auditing them (Delmas & Toffel, 2004; Fox, 2004).

3.3.2 Transaction Cost Economics

Key assumption of the Transaction Cost Economics Theory (TCE) is that make or buy decisions are determined by both the price of the purchased item and its transaction costs (Williamson, 1973). The transaction costs occur ex-ante or ex-post of transactions (Williamson, 2008). Ex-ante costs can occur in information-seeking processes or in negotiating contractual terms. Ex-post costs can occur in enforcing contractual agreements, like monitoring processes (Rindfleisch & Heide, 1997). Consequently, firms are continuously in search for the optimal governance mode for their transactions, which is the one with the lowest total costs (Williamson, 1998). The TCE rests on two key assumptions, human behavior and dimensions of transactions. The first assumption is human behavior like bounded rationality (constraints of decision makers'

cognitive capabilities and rationality) and opportunism (tendency towards self-seeking interest deceiving others). Opportunism is, in particular, challenging in SCM as participants in the supply chain have little or no transparency, leaving them vulnerable and exploitable. The second is the main dimensions of transactions, like asset specificity and uncertainty (Rindfleisch & Heide, 1997).

Ciliberti and others investigate how a third-parties' standard (SA8000, a social standard) improves the information flows through the supply chain, so that information asymmetries are reduced, trust is built, and coordination in the supply chain is facilitated (Ciliberti et al., 2009). By relying on the TCE perspective, their results show that due to the utilization of the third-parties' standard both ex-ante and ex-post transaction costs are reduced. In particular, they show that ex-ante costs for buying firms for searching and negotiating suppliers are reduced. As suppliers obey the standard rules, buying firms can pick suppliers accordingly, and in addition, no further negotiation is needed, as the rules of the standard are mandatory. Ex-post, they show that due to the utilization of standards and the respective monitoring of obeying to the standards rules, the buying firm also reduces its monitoring and enforcement costs. Further, bonding costs for both the supplier and buying firm are reduced as the certification of the standard shows to other actors the certificate holders' compliance with the standard. Bonding costs are, in this sense, costs that an organization bears, showing that it sticks to certain rules provided by a binding standard (Jensen & Meckling, 1976). In comparison to monitoring costs, which are carried by the principal, the bonding costs are carried by the agent. However, they both have the same purpose and incur to collect information on the behavior of the agent.

The use TCE to identify contextual factors influencing firms' governance mode to ensure sustainability in their supply chains (Meinlschmidt et al., 2018). Their results show that environmental uncertainty consists of third-party pressure and product and industry salience. Although, third-parties like NGOs, unions and media have no contractual relationship with buying firms, they pressure them and are powerful to advocate on behalf of others. The same holds for third-parties from the industry. In particular, firms are of focal interest to third-parties if they are visible in the market and their respective industry. In their results, Meinlschmidt show that the higher the stakeholder salience, respective industry salience is, the higher the firms' perceived sustainability risk is. Besides environmental uncertainty, they show that behavioral uncertainty influences perceived sustainability risk of firms. In particular, they show that past sustainability-related incidents at supplier sites or in the peer industry increase the perceived sustainability risk of firms. Meinlschmidt explains this as firms experience incidents at their related supply chain, i.e. supplier sites, they build up awareness and the perception to risks to future problems. In addition to investigating the influence of TCEs contextual pressures from a third-party point of view on the perceived sustainability risks they also provided evidence on how third-parties are part of the solution. They show that there are two types of approaches (third-parties) firms utilize to ensure sustainability in their supply chain. They consider the alliance-based, and compliance-based approaches as hybrid approaches firms utilize when perceiving a medium level of sustainability risk. Both approaches require a medium level of resources from the firms. The alliance-based approach (participating in industry alliances) enables firms to rely on the alliances' standards and its provided services i.e. monitor suppliers. As the alliance provides mutually agreed certifications for buyers and suppliers, transaction costs are reduced (Tate et al., 2011). The compliance-based approach, however shows no significant effect on enhancing sustainability in supply chains. This somewhat symbolic act of having codes of conducts suppliers sign is regarded as greenwashing (Blome et al., 2017; Lund-Thomsen & Lindgreen, 2014).

Rosen and others used parts of the Transaction Cost Economics to investigate the role of third-parties in the development and implementation of supplier management programs to enhance

environmental sustainability in the computer industry (Rosen et al., 2002). Their results show that the development of a third-party standard is the result of the absence of government regulations. However, the voluntary standard reduces transaction costs for utilizing members, both ex-ante and ex-post. Ex-ante the transaction costs for negotiation and discussing specifics of the data exchange between the supply chain members is reduced. This is due to the fixed terms and scope of information for environmental elements, which needs to be exchanged using the standard. Ex-post, the transaction costs for monitoring are also reduced, as the standard legitimizes the information provided by the supplier. Therefore, while utilizing and relying on the standard, both the supplier and the buyer have reduced transaction costs i.e. coordination due to the guidelines and set of rules provided by the standard.

Xu and others utilize Transaction Cost Economics to investigate leveraging industry standards to improve the environmental sustainability in supply chains (Xu et al., 2018). Their findings show that utilizing a third-party industry standard is a highly asset-specific investment for the participants. In particular, the industry standard specifies business processes and their respective data to be exchanged between the participants. This needs higher system integration, leading to better participants understanding of their own and their partners' processes. Consequently, using the industry standard creates a greater positive interdependence on the utilizing participants, leading to improved inter-organizational relationships and collaboration as well as control of the participants. This ultimately leads to an enhanced environmental sustainability of the participants.

TCE has a long history in SCM originally used to explain sourcing phenomena (Grover & Malhotra, 2003). Recently, it has been used to investigate phenomena in SSCM, too (Delmas & Montiel, 2009). From the above findings, we see two different streams of its application. On the one hand, Xu et al. (2018), Ciliberti et al. (2009), and Rosen et al. (2002) look at the transaction costs themselves, while Meinlschmidt et al. (2018) look at the contextual factors of the TCE explaining the use of the governance mode. However, they all show that due to uncertainty firms externalize SSCM practices to enhance their sustainability (Vachon & Klassen, 2006). Xu et al. (2018), Ciliberti et al. (2009) and Rosen et al. (2002) show that firms rely on third-parties and their provided standards. Utilizing these standards reduces transaction costs for firms ex-ante and ex-post. The standards reduce information asymmetry and improve the transparency, coordination and relationship between the utilizing supply chain partners. In that, Meinlschmidt et al. (2018) not just show that third-parties influence and increase the perceived sustainability risk of firms due to stakeholder pressure (third-party) but that they are a solution for reducing the risk, too. They show that third-parties are used in a hybrid mode of governance with a medium level of resource intensity needed by the firms This is in line with the findings of Ciliberti et al. (2009), providing evidence of how third-parties reduce transaction costs ex-post in monitoring or marketing sustainability performance. However, in the case of Meinlschmidt et al. (2018) third-parties ensure sustainability in the supply chain by enabling firms to rely on the third-parties' standards and provided services. Due to mutually agreed certifications, the transaction costs are therefore reduced for both buyers and suppliers (Tate et al., 2011). On the contrary, the compliance-based approach does not significantly enhance sustainability in supply chains. This rather symbolic act of having codes of conducts suppliers sign could be regarded as greenwashing (Lund-Thomsen & Lindgreen, 2014; Blome et al., 2017).

3.3.3 Institutional Theory

The institutional theory assumes that firms' practices and strategies are influenced and shaped by the environment in which firms operate (DiMaggio & Powell, 1983). These environments influence firms in the form of external pressures, so-called institutional pressures. DiMaggio and Powell (1983) argue that firms are confronted by three institutional pressures: coercive, mimetic, and normative. Coercive pressures are exerted on firms by other organizations upon which the

firms are dependent or by cultural expectations in the society within which the firm works (DiMaggio & Powell, 1983). Mimetic pressures originate from firms' response modeling themselves after other more successful firms (Bhakoo & Choi, 2013; DiMaggio & Powell, 1983). Normative pressures come from firms' professionalization and mainly originate from customers' ethical values and ecological thinking (DiMaggio & Powell, 1983).

Zhang et al. (2017) use the Institutional Theory to investigate supplier development practices. They find that to develop supply chain and social responsibility, and firms apply audits performed by third-parties. However, the application and utilization of third-parties' audits are a response to institutional pressures and are regarded as indirect supplier development practices.

Mani and Gunasekaran (2018) apply the Institutional Theory to identify influences on firms to develop socially responsible supply chains. Their results show that regulatory pressure from third-parties positively affects social sustainability adoption as the regulatory mechanisms still play a crucial role in enforcing laws. Furthermore, they show that social sustainability adoption results in suppliers' social performance, which increases the suppliers' customers' (focal firm) lead time, quality and reliability of products. This improves the supplier's performance as the focal firms' operational performance increases.

Xu et al. (2018) use the Institutional Theory to investigate how the use of an industry-standard enables knowledge sharing, process integration, environmental collaboration, and control among supply chain partners, leading to the environmental performance of firms. Their results show the importance of firms participating in third-parties with other members. Participation in standards consortia positively moderates the effects of industry standards use on knowledge sharing and process integration. In particular, while participating in third-parties firms attend various events like site visits. These site visits increase the mimetic pressure the firms are exposed to. In turn, these firms are then encouraged to work on their environmental performance e.g. in using and adapting the third-parties provided system and standard. In addition, attending third-parties' events is regarded as a reminder of the firms' need to enhance their process integration and information sharing and, ultimately, their environmental performance. They view this as normative pressure on the firms to use the third-parties standard effectively to reach the overall goal of all participants.

The above findings show that third-parties are, on the one side, the initiator of sustainability transformation and, on the other hand, the result of pressures. In contrast, Mani and Gunasekaran (2018) show third-parties pressuring firms to work on their sustainability agendas. Zhang et al. (2017) show that third-parties could solve the pressures from the third-parties. While Mani and Gunasekaran (2018) findings are in line with previous literature showing that coercive pressures through laws and government regulations improve environmental awareness and drive environmental management practices (Sarkis et al., 2011). Xu et al. (2018) findings are similar, as they show that institutional pressures lead to using of third-parties. If firms than are utilizing them and participating e.g. on events this leads to further pressure as the participants in the third-party are all working toward the same goal. Zhang et al. (2017) findings provide evidence and show that by utilizing a third-party for supplier development, the firms are responding to the institutional pressures and securing their positions and legitimacy by conforming to pressures. However, applying the Institutional Theory shows a high congruence with findings from the Stakeholder Theory. In particular, it shows that third-parties are mimetic pressures. In that, they influence firms to transform their sustainability agenda.

4. TOWARDS FUTURE RESEARCH DIRECTIONS

It is striking that overall just half of the articles actually use theories. Most of the articles rather have an explanatory or descriptive character. Overall, the most popular theories utilized fail to holistically capture sustainability and third-parties in SSCM.

To date, third-parties in SSCM have been primarily investigated qualitatively. In order to investigate third-parties in SSCM in a balanced way, research should utilize theories from other fields (outside the major theories) and extend the utilization of research methods. Therefore, extending the utilization of research methods, in particular utilizing quantitative methods could first proof the qualitative developed concepts, second detail and contrast various theoretical perspectives and third balance the research landscape overall by testing against a broader perspective (e.g. quantity). Ultimately, this will lead to maturity in the research field.

However, this leads to our first two propositions:

P1: Utilizing, testing and extending other theories outside the major theories utilized so far will help the field to gain maturity and develop its own theory.

P2: While pursuing balancing theories, researchers should utilize more quantitative research methods for testing and balancing results in the field.

As our findings provide results mostly on third-parties on an organizational level, we see potential to shift the focus from rather major theoretical perspectives to minor theoretical perspectives. This shift will lead to a more holistic view on third-parties in SSCM and ultimately will lead to more multilevel research as it is filling white spots in SSCM overall and captures the multi-dimensional practice of third-parties in SSCM (Astley and Van de Ven, 1983; Klein et al., 1999). On the journey to more multilevel research, minor perspectives such as the focus on leadership and firms' culture (Doppelt, 2003; Dunphy et al., 2003) will enlighten the roles individuals in third-parties play in contributing to the firms' SSCM and achieving the associated goals. In particular, we see individuals as success factors to decisions and interactions towards meeting sustainability goals. Therefore, we propose:

P3: To fully understand third-parties in SSCM researchers need to apply more multilevel research. Meeting this research objective, we argue for contrastive research focusing on minor theoretical perspectives.

From our point of view, SSCM and the role of third-parties as an evolution of (SCM) business activities and relationships has not been considered in depth yet. This can be further investigated by utilizing different theoretical lenses for understanding in depth the lifecycle of relationships. First, following our previous propositions we see an opportunity for investigating the roles of third-parties e.g. by utilizing Natural Capitalism (Hawken et al., 1999) or Evolutionary Theory (Nelson and Winter, 1982) to investigate how firms adapt to changing environments and what role third-parties play in the development of knowledge. Second, in addition, Organisational Change Theory could be utilized for further drilling down to minor theoretical perspectives. By that, it could help looking into behavioral aspects of change in firms and what role third-parties play in that. Third, contrasting the previous, Social Exchange Theory (Emerson, 1976) or Social Network Theory (Granovetter, 1973) could be used to investigate how firms adapt to their changing environments and sustainability challenges by building up relationships (weak VS strong ties) with third-parties. Investigating, not just the why but also the how (i.e. development of social capital) could be interesting. In line with that, we propose:

P4: Rather than viewing SSCM and the roles of third-parties from a static and revolutionary standpoint, investigating in particular the relation to firms' (sustainability) performance, we encourage future research to look at it from an evolutionary perspective understanding the lifecycle of relationships and transformations in firms' activities.

As we show in our descriptives and analysis section, less than half of the articles utilizing theories. This means that half of the articles are from our point of view purely descriptive. Despite the current low levels of theory utilization, we see a momentum in utilization of theories. In particular, we welcome the growing number of not just theory building efforts (qualitative methods) but also theory testing efforts (quantitative methods) in recent articles. This direction on the one side will provide further insights and on the other side provide directions for future

research. However, the growing utilization and development of theories either qualitative or quantitative in nature should further rely and capitalize connections with practice. This is valuable as firms are facing real-world challenges of sustainability but theories could provide frameworks for dealing with these challenges. To put it in the words of Lewin "there is nothing as practical as a good theory." (Lewin, 1943, p. 118) This leads to our final proposition:

P5: To develop the research field of third-parties in SSCM, and move beyond descriptive research, further theory building and testing is necessary in relying on and applying frameworks in practice.

5. CONCLUSIONS

This systematic literature review provided an overview of how theories have been used for investigating third-parties in SSCM.

In our analysis, the investigation on third-parties is still in its infancy, as most articles do not utilize any theory. In addition, the articles that utilize theories rely mainly on significant theories, which historically stem from other disciplines. This comes with the cost of limiting and framing results to the theories' origin instead of looking at the topic from a new perspective or even inductively or grounded, producing new insights.

Based on our investigation, we propose future research directions to fill the gaps in the role of third-parties in SSCM . However, the fragile theoretical investigation is a concern that needs to be addressed in future research. Despite the fragile utilization of theories, testing and further developing existing frameworks is good advice for the field to grow consistently. This is in line with Carter and Easton (2011), who propose utilizing multiple theoretical perspectives for investigating sustainability and respective third-parties. Besides, we encourage theory building by exploiting empirical richness and developing new theoretical perspectives. By that, researchers need to identify the unusual and sometimes foggy to create knowledge.

This systematic literature reviews contributes to research threefold. First, by systematically reviewing the academic literature on sustainability and third-parties, this article provides a state of the art view on the relevant topic of sustainability. In addition, it looks on the theory utilization in academia, which is the origin of most academic work. Second, by synthesizing the literature this article contributes giving a novel perspective on the literature. It argues that theories have been used in a limited way leading to a narrowed perspective on sustainability and third-parties. Following, the paper contributes by calling for further research. Third, based on the synthesizing of the results this article provides a research agenda with propositions. These propositions could be used for further investigating the topic of sustainability and third-parties. The propositions can be used in qualitative and quantitative research adding knowledge to the literature.

By calling for further research, we acknowledge the shortcomings of the systematic literature review. We especially acknowledge the drawbacks of the literature sampling criteria and the analysis. Therefore, we call for reproducing our results periodically first to reproduce and consolidate our results and, more importantly, review the development of the field.

Lastly, we want to point out the managerial implications. The Financial and Economic Crisis in 2008 and the recent Corona Crisis did not diminish the interest in sustainability and the role third parties play. On the contrary, both crises encouraged actors to rethink and find new ways and solutions to how sustainability issues can be solved together in collaboration. Enhancing the relationship between academia and practice is essential to test theoretical investigations and validate the results. Besides, moving closer to collaborating, organizations should rethink how they view and control, e.g. their stakeholders. The synthesis has shown that research utilizes major theories like stakeholder theory, transaction cost economics and institutional theory. As practice uses research, the organization's view and control of stakeholders logically rely on these

theoretical constructs. From the paper's point of view, it could be good advice if organizations view and control their stakeholders in various ways by extending their point of view based on these significant theories.

However, this systematic literature review is a first step towards investigating theoretical dynamics to broaden and confirm our findings on third-parties in SSCM.

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Corporate Social Responsibility in Kazakhstan: Current State and Ways of Development

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Abstract

The main purpose of the study is to assess social responsibility development at the enterprise and its development ways. The main objectives of the study are to assess corporate social responsibility development in Kazakhstan, identify the main problems and make recommendations for its further development. The authors revealed that the understanding of social responsibility, the conduct of which in business creates additional competitive advantages, thereby forming a favourable social environment and stable social conditions, increasing the level of trust in it among various economic agents. Results: the authors also conducted the research in the form of an expert survey to assess the prospects for the development of corporate social responsibility in Kazakhstan. During the survey, questions were asked about corporate social responsibility: understanding of corporate social responsibility, the dynamics of its further development, etc. Also, during the conducted research, the main problems that hinder the development of corporate social responsibility in Kazakhstan were identified: the problem of a haphazard approach to the formation of a policy for corporate social responsibility development, incomplete openness o interaction processes between the state and business, the unreasonableness of existing economic measures to stimulate corporate social responsibility, weak involvement of the civil sector in the practice of corporate social responsibility, etc. Conclusions - to solve the development of corporate social responsibility, such as a systematic approach to the development of corporate social responsibility in Kazakhstan, the complete rejection of the state from corporate social responsibility economic stimulation.

Keywords: Business, Economic Activity, Corporate Social Responsibility, Customers, Investors

SCSTI: 06.81.12
JEL Code: D23, J24, L26

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1. INTRODUCTION

The relevance of this topic lies in the fact that, at present, the international expert community is increasingly focusing on finding a comprehensive development model that provides opportunities for economic development, environmental protection, social support, gender equality and satisfaction of the population's social and political interests. One of the ways to achieve these goals is to actively expand the scope of business activities, including elements of corporate social responsibility (Yang, 2022). Corporate social responsibility develops in response to the demands of society, which is interested in the results and content of enterprises' economic activity within the framework of sustainable development. It is also worth considering that in modern society, social processes play an increasingly important role in making investment decisions for both owners and ordinary consumers; there is growing concerned about the increase in environmental pollution caused by economic activity; through the mass media and information and communication technologies, the necessary conditions are created for greater transparency of entrepreneurial activity (Pryazhnikova, 2016).

According to the definition by the European Commission, corporate social responsibility is the concept that "companies voluntarily take into account social and environmental issues in their activities." It also assumes "the role of companies concerning the impact of their activities on society" (A renewed EU strategy, 2011; Promoting a European framework for corporate social responsibility, 2001). Also, according to the UN Global Compact, business structures bear social responsibility for the observance of human rights, labour standards, the fight against corruption and environmental protection. According to the World Council for Sustainable Development, corporate social responsibility is a state where companies follow the concepts and principles of sustainable development in planning employees' activities, residents and all community members. It is essential to understand that all this is done to improve the quality of life in society (Khovaev et al., 2016; Voykoet al., 2022).

It is essential to know that integrating corporate social responsibility into the company's economic activities is decentralized and voluntary. They develop mainly in multinational companies and aim to create a good image among customers and investors. The image of socially responsible entrepreneurial activity creates certain competitive advantages for the company, forms a good and stable social environment, and strengthens trust in this company among various economic entities (Ledneva, 2012; Lagutin, 2014)

It should also be noted that the assessment of corporate social responsibility in the company's activities is carried out according to indicators' numbers, including the corporate governance code. Such an analysis of corporate social responsibility is extremely important for internal use in the enterprise since its results will allow the company to identify errors in corporate governance and find ways to improve social performance indicators (Tovma, 2009; Bulgakov et al., 2019).

Thus, the relevance of studying the issues of corporate social responsibility development at the enterprise, where corporate social responsibility becomes an integral part of the activities of most large organizations (Khovaev et al., 2016).

So, the main purpose of the study is to assess social responsibility development at the enterprise and its development ways. It is worth noting that the novelty of this study lies in the fact that today the authors have analyzed the current trend in corporate social responsibility development in Kazakhstan, conducted a survey on corporate social responsibility, identified its problems and suggested ways to solve them.

2. LITERATURE REVIEW

Corporate social responsibility was the object of many foreign scientists’ studies in th Corporate social responsibility was the object of many foreign scientists' studies in the 20th

century: a number of concepts were developed in socio-economic thought, including the concepts of corporate social responsibility, corporate accountability, corporate social activities and corporate volunteering. Subsequently, they did not replace each other but harmoniously complemented each other. By the end of the 20th century, the business ethics concept and stakeholders concept continued to develop. In the 21st century, the concept of sustainable development emerged. The process of forming conceptual models of corporate behavior absorbed new ideas (Kravchenko, 2016).

Currently, the most developed corporate social responsibility system is in the USA, where many mechanisms for business participation in solving social problems of society have been created. There are many corporate funds aimed at solving critical social problems at the expense of business funds. Vocational education in the USA is actively sponsored by the private sector, as businesses are directly interested in investing in education, insurance and pension schemes for enterprise personnel and other socially significant programs. Responsible corporate behavior towards society is actively encouraged by appropriate tax benefits. The USA is known for the traditions of systematic participation of business or its representatives in financing a wide variety of non-profit projects (Nurmukhametov, 2022).

It is also worth noting that the research of the "Spanish Corporate Social Responsibility Fund" notes the following: In Europe as a whole, corporate social responsibility was formalized at the Lisbon European Summit in March 2000 and when the European Commission published the Green Book. According to the research of Gurieva O., who believes that corporate social responsibility is a very specific reaction of the business community to changes taking place in the labor collectives of enterprises, the surrounding society, trends in national and international development (Gurieva, 2015). The founder of the theory of corporate social responsibility can be attributed to G.Bowen, who in 1953 published the book "The Social responsibility of a businessman". In turn, Carroll A. and Bachholtz A. The book "Business and Society" gives a more in-depth definition of corporate social responsibility - it is a legal, economic and ethical voluntary action of organizations that society expects at specific points in time. In their works, Moon J. and Vogel D. write that due to the increasing importance of corporate social responsibility, public activity remains the most important means by which it is possible to combine private business interests and broad social tasks (Nurmukhametov, 2022).

The main goal of social responsibility is to reduce social tension, improve the population life quality, improve the environment, and attract business representatives to solve social problems of society. In his works, G. Bowen believes that the social responsibility of an entrepreneur is to "promote such a policy, make a decision or follow a certain line of behavior that is aimed at helping to realize the goals and values in the country." Bowen G. emphasizes the importance of business' corporate social responsibility as an orientation towards the goals and values of the state, including the corporation itself (Bowen, 1953).

As part of the study corporate social responsibility issues, the following number of unresolved issues can be identified: the lack of activity on state bodies part in promoting corporate social responsibility, there is no interest on enterprises' part of in social investments, the weak position of civil society institutions in corporate social responsibility development and promotion, in the Independent States Commonwealth, the established paternalistic type of relations between the state, business and society is not effective in social responsibility development (Nurmukhametov, 2022).

As a result, the analysis of foreign and domestic literature showed that considerable attention is paid to general theoretical issues: as approaches and models, description of the overall benefits of the study to corporate social responsibility principles of, etc. A significant contribution to the corporate social responsibility concept was made by concepts associated with corporate social activity, corporate social sensitivity, and shared values (Tatenko, 2018).

3. METHODOLOGY

This study has been compiled taking into account scientific results and conclusions made and conducted by scientists from Kazakhstan and foreign countries in the framework of activities related to corporate social responsibility development. When writing this study, scientific reports, publications of international organizations and relevant studies were used, which form the theoretical and methodological basis in the field of social and corporate research. In this study, a wide range of sources was used, such as: monographs, scientific articles and case studies on topical issues of corporate social responsibility, which were developed by scientific circles and organizations (Harfoush et al., 2020).

When writing the article, the information of modern authors research on corporate social responsibility development, information from international organizations and their reports on this research topic, publications of authoritative scientific publications and journals, professional publications were analyzed. The article examined corporate social responsibility development levels, analyzed legislative acts that also affect this issue, etc.

When writing the article, the classical general scientific methodology was used to assess the development of corporate social responsibility in the country's economy, namely general and special methods of scientific analysis, such as induction and deduction, analysis and synthesis, a systematic approach, a graphical method - visualization of the image of the results.

In the course of writing this article, the analytical research methodology was applied, which is based on a systematic approach and assesses the development of corporate social responsibility in Kazakhstan. Well-known concepts and concepts, models and comparative analyses of the development of corporate social responsibility are also applied. The scientific and methodological apparatus of the study included a causal relationship, and an ongoing analysis of the ongoing changes in corporate social responsibility.

When writing the study, a survey of the population regarding corporate social repopulation survey. The questionnaire method was used through Google questionnaire. This survey method helped to solve the issue of compiling static representations of public opinion to understand the essence and predict the development of corporate social responsibility and the problem of its development. During the survey, 102 people were interviewed in Almaty and Astana, Akmola and Almaty regions. The analysis of corporate social responsibility allows us to identify several businesses, in addition to complying with laws and producing a quality product and service, voluntarily assume additional obligations to society and how it affects the country's economy. The empirical database of the work was the author's online questionnaire results on corporate social responsibility, enterprise data, foreign and domestic researchers' works and monographs.

When conducting the study, the limiting factor was the need for more statistical information on corporate social responsibility and its impact on the country's economy. Also, based on the survey, significant problems in the development of corporate social responsibility in Kazakhstan were identified.

4. FINDINGS AND DISCUSSION

Today the role of business in social development has increased significantly, and in the business world, the requirements for transportability in the business sphere have increased. Most business structures have realized that building a successful business in one environment is impossible. Therefore, integrating corporate social responsibility principles into the process and business development strategy becomes necessary in the domestic market (Kravchenko, 2016). In practice, in enterprises activities, under social responsibility, which is presented to society, it is customary to understand activities that can and should be divided into three kinds of responsibility components:

- economic - the quality of the goods and services provided, their safety, physical and price availability for potential consumers;

- environmental - implies the reduction of various harmful emissions during production activities and other environmental pressures;

- social - is aimed at the development of the workforce, as well as the development of external social projects, which is most often manifested in charitable activities (Pryazhnikova, 2016).

It is also worth noting that the levels of corporate social responsibility have several stages: voluntary and mandatory components, which are presented in Figure 1 (Leshchenko, 2012).

It is worth considering the models of corporate social responsibility separately. At the present stage, it is customary to distinguish three models of corporate social responsibility:

- American,
- European,
- Japanese (Asian).

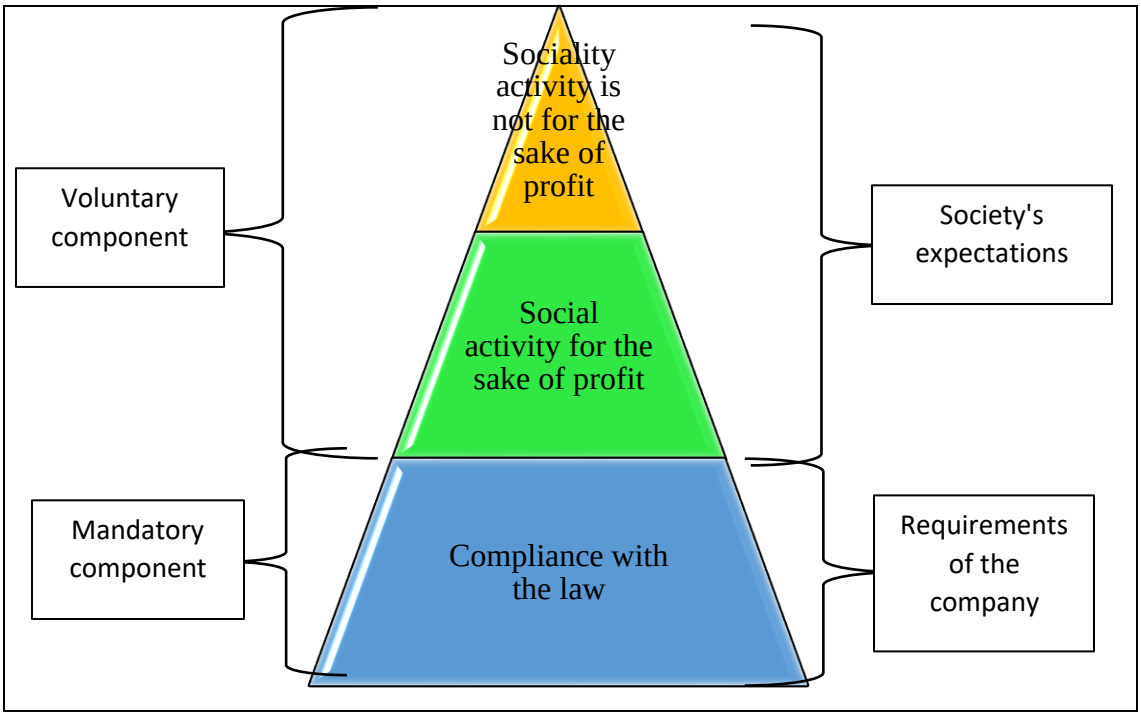

FIGURE 1. Levels of corporate social responsibility.

Note: Compiled by authors

It is also worth highlighting the Latin American, African and BRICS model: Brazil, Russia, India, China and South Africa. The state actively supports the European model and is divided into submodels. For example, the Scandinavian countries use their "business–state" partnership model, in which the business sector pays relatively high taxes, and the state distributes them efficiently. The British model of corporate social responsibility includes several elements: American and European models, but with the involvement of state and public institutions to coordinate public interests. The USA model has the following features: minimal state intervention in the business environment, systematic financing of various non-profit organizations and foundations, and corporate volunteering. In the Japanese model, the state and traditions play a significant role: the principle of "lifetime employment" and employees treat the company as their

"production family". The main feature of the African model of corporate social responsibility is the provision of financial assistance by organizations for anti-poverty projects or other projects. High public awareness about corporate social responsibility activities characterizes the Latin American model. The countries of the Independent States Commonwealth are characterized by: a slight influence of governments on the creation of a national agenda on corporate social responsibility, a low role of public and expert institutions, a vital role of international organizations, donors and the media in corporate social responsibility formation (Saprykina, 2011).

Today, the transition to the corporate social responsibility of entrepreneurship is becoming widespread, including development projects and considering the local community's interests. For example, the Shell Foundation (Shell Foundation is an initiative of the Royal Dutch Shell oil company) participates in developing the Flower Valley in South Africa. An Early Learning Centre has also been established to help educate local children and adults with new competencies. Annual social investments in America are estimated at $10.6 billion per year. According to forecasts, by 2027, they will reach $37.2 billion, corresponding to an average annual growth rate of 19.5% for 2020-2027. Over the same period of time, an annual investment growth of 18.3% is projected in Europe. In turn, in Asia by 2027 year, these statistics will be about $11.1 billion.

According to research by Stobierski, a marketing specialist and contributing writer for Harvard Business School Online. The data presented in Figure 2 were obtained on corporate social responsibility (Stobierski, 2021).

The modern development of corporate social responsibility in Kazakhstan meets international standards, but progress could be faster. According to the Doing business 2020 report, Kazakhstan ranked 25th - The ease of doing business ranking (Doing business 2020, 2020). It should be noted that in Kazakhstan, there are no separate laws regulating corporate social responsibility. At the same time, each of the corporate social responsibility areas is covered by certain regulatory legal acts. For example, fundamental human rights, including free and safe work, rest and labour disputes, are enshrined in the Universal Declaration of Human Rights, the Constitution of Kazakhstan and the Labor Code (The Constitution of the Republic of Kazakhstan, 2011). The Tax Code establishes economic incentives for business participation in social development, assistance and employment of people with disabilities (The Code of the Republic of Kazakhstan "On Taxes and other mandatory payments to the Budget", 2017). The Environmental Code regulates the use of natural resources and business impact on the environment.

As for the legal instruments regulating the activities of corporate social responsibility in business, the Law of the Republic of Kazakhstan "On Private Entrepreneurship" defines social responsibility, which is interpreted as "the voluntary contribution of private entrepreneurs to society development in the social, economic and environmental spheres" (About private entrepreneurship, 2016) and gives private business organizations the right to apply in measures of social responsibility in business through the implementation or participation in the implementation of projects in the social, economic and environmental spheres".

LLP "ENEGRYPROM.KZ" annually signs memorandums of cooperation with Aktobe, Karaganda, Kostanay and Pavlodar regions' akimats. The amount of the concluded memoranda amounted to: in 2017 - 7 billion tenge; in 2018 - more than 8.6 billion tenge, in 2019 - about 9 billion tenge, in 2020 - more than 10 billion tenge. LLP "ENEGRYPROM.KZ" in 2021 as part of cooperation memoranda in the corporate social responsibility and sponsorship field. The support included investments in the amount of 9.2 billion tenge, as well as direct social investments - 15.5 billion tenge.

In 2021, Trustees Board of JSC "Samruk-Kazyna" and Samruk-Kazyna Trust approved 32 projects worth 7.1 billion tenge aimed at the development of the following sectors:

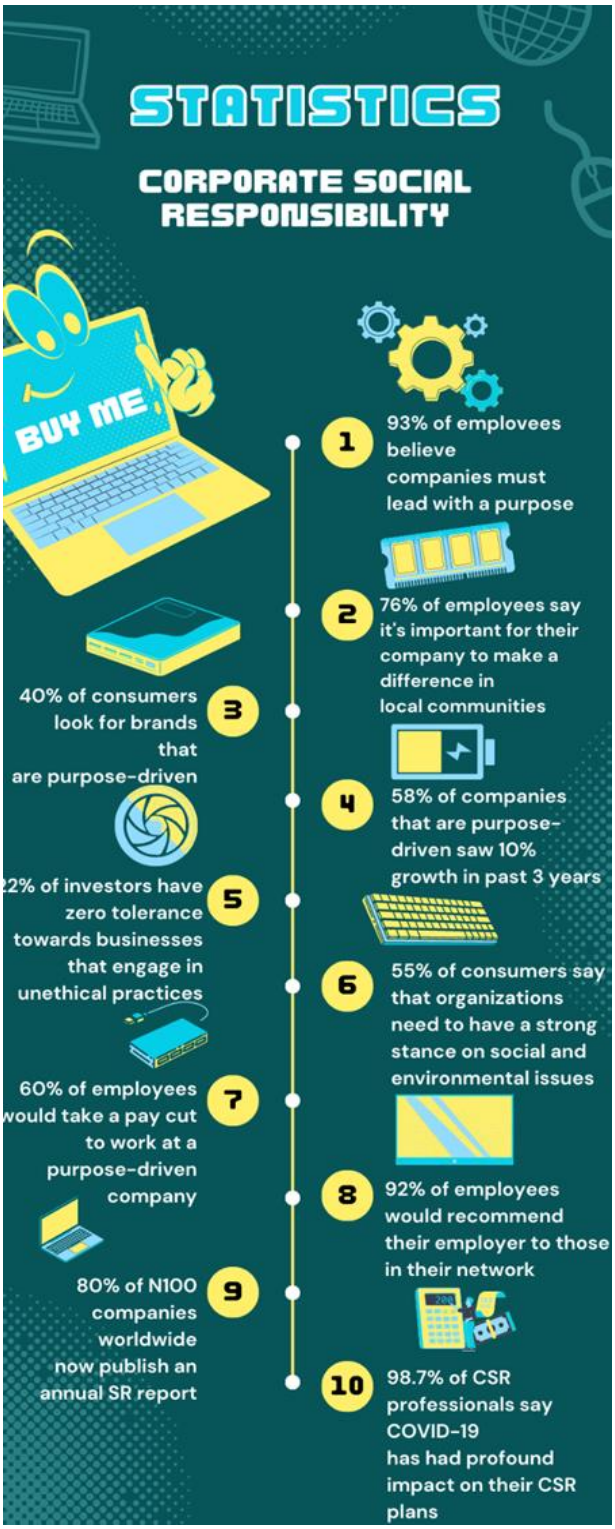

FIGURE 2. Statistics of corporate social responsibility.

Note: Compiled by source Stobierski (2022)

- assistance to the population in the social and medical sectors - 12 projects worth 2.8 billion tenge;

- development of the media cultural community and human potential - 16 projects worth 2.6 billion tenge;

- implementation of the regional social investment program in the regions - 4 projects worth 1.7 billion tenge.

The social responsibility of KAZ Minerals is aimed at supporting the local population who live near the areas of activity. In 2020, the organization's social investments amounted to $27 million. It is worth noting that the social policy of the foundation is focused on development in the medical sector. For example, a new hospital department was opened in Petropavlovsk, and a hospital was equipped with hypoxia treatment equipment in Karaganda.

For a complete analysis, the authors conducted a survey to assess the prospects for corporate social responsibility development in Kazakhstan; respondents, according to the number of responses, demonstrated a cautious assessment regarding the understanding of the essence, structure and development of corporate social responsibility in Kazakhstan.

The majority of respondents – 52% - answered that corporate social responsibility in the country can receive positive development in the future, provided:

- the state to support and stimulate entrepreneurial activities that promote corporate social responsibility – 39%;

- corporate and social responsibility will be part of a long-term business, that is, on the world stage – 13%.

In addition to optimistic forecasts, there are prospects for the development of corporate and social responsibility in the country by compulsory procedure - 48% respondents:

- according to the requirements of the state. Companies implementing short-term corporate social responsibility projects will have to develop social programs within the company - 26%, where the majority of responses fall on large companies (32%), financial and industrial companies (30%), subsidiaries and foreign companies (30%).

- a necessity for business. Organizations will have to establish mutually beneficial relationships with all groups of people in order to survive in the long term - 22%: of these, the largest percentage falls on large companies - 32% respondents, foreign - 40%.

Another part of the respondents – 21% - gave a pessimistic forecast about the prospects for developing corporate and social responsibility in the country. Of these, 16% believe that several obstacles, particularly the financial situation, prevent companies from considering social relations as an urgent event, and 5% believe that corporate social responsibility will gradually decrease until it is completely discontinued. The majority of pessimistic respondents were identified as small companies - 20%, and foreign companies - 20%. Respondents believe that barriers may hinder the promotion of corporate social responsibility.

It is worth noting that 9% of respondents said that corporate social responsibility is developing in some companies; 5% said that corporate social responsibility is widespread in international companies; 4% of respondents said that corporate social responsibility is implemented by companies that are easiest to implement this policy (for example, companies that do not harm the environment).

Thus, it is possible to identify significant problems in the development of corporate social responsibility in Kazakhstan:

- a haphazard approach to the formation of corporate social responsibility development policy, since there is no structure or separate body in the government that consciously deals with corporate social responsibility issues in all areas of the economy, also developing an action plan

and stages for the systematic implementation of corporate social responsibility based on the analysis of the regional situation in the country and world experience (Kabatova, 2016).

- the processes of interaction between the state and business are not fully open since it is "behind closed doors" that the cooperation process between government and business takes place, that is, the activities of local authorities and companies in the social investment process. The population and the general public need to learn and have no idea where and how the company's social funds come from and how much and for what they are spent or spent in the social sphere to prioritize the population's needs. The opacity of this process means that other companies need to set a better example of responsible business conduct.

- the unreasonableness of existing economic measures to stimulate corporate social responsibility, while companies adopting corporate relations management strategies have no benefit other than moral satisfaction. Experts agree that more than the existing tax relief of 3% is needed to encourage companies to implement corporate social responsibility.

- the low level of the civil sector involvement in corporate social responsibility is such that the civil sector plays a vital role in developing corporate social responsibility. As for non-governmental organizations whose primary goal is to solve social problems by helping and interacting with the state," the civil sector can solve and implement many essential tasks.

Now let's look at ways to solve the problems of corporate social responsibility development, which are presented in Figure 3.

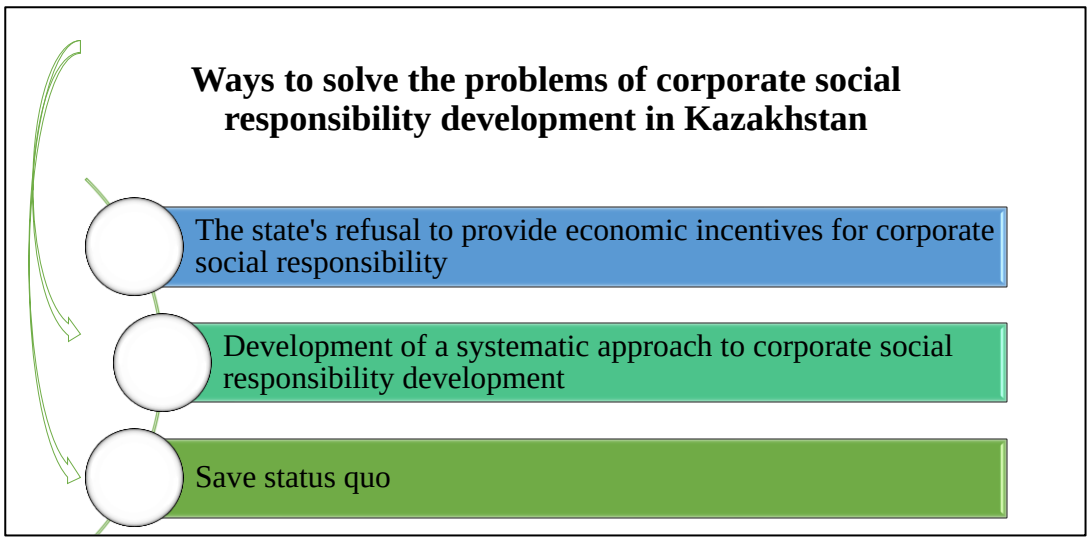

FIGURE 3. Ways to solve the problems of corporate social responsibility development.

Note: Compiled by authors

According to Figure 2, the following solution was proposed:

- maintaining the status quo. Currently, the policy of developing corporate social responsibility cannot be called a failure, but it has yet to be achieved. The main feature of the policy is the lack of a system of measures taken, as a result of which officials, representatives of local businesses and the civil sector often do not understand the essence of corporate responsibility, its benefits to society and economic practice, how to implement and develop it. Under the current policy, Kazakhstan's business practices need to adapt more slowly to

international standards, which means it is becoming increasingly more challenging for Kazakhstan to become one of the world's leading economies.

- the complete rejection by the state of economic incentives for corporate social responsibility. A full-fledged discussion on granting preferential conditions to certain companies will mean less state influence on the business sector. Consequently, enterprises will consciously understand the importance and necessity of developing corporate social responsibility. These processes will take place more efficiently because the main initiative will come from the enterprise itself. At the same time, it will take longer to achieve a long-lasting positive effect. Although many experts note that economic incentives do not justify the costs of corporate social responsibility activities and, in particular, do not stimulate support for corporate social responsibility. The elimination of benefits can give companies a moral right to reduce costs.

- a systematic approach to implementing and developing corporate social responsibility in Kazakhstan. In order to ensure the systematic corporate social responsibility development, this policy option assumes mandatory compliance with three conditions: the involvement of the civil sector in the sphere of corporate social responsibility, open interaction of three parties: the state, the economy and the civil sector; the presence of a structure whose main task will be to develop strategies and measures to popularize and implement corporate social responsibility.

An essential aspect of the proposed policy-making option is that through the civil sector, the population can express their interests, participate in the decision-making process and evaluate the quality and effectiveness of social projects.

5. CONCLUSIONS

For many years, Kazakhstan has been calling on businesses to participate more in solving the social problems of the republic, introduce corporate social responsibility at enterprises and implement social projects. For the Kazakhstan model of corporate social responsibility to work, there is a need to form a systematic approach to developing a corporate social responsibility policy. Therefore, this paper recommends correcting the current model.

Thus, the article considered the main provisions of corporate and social responsibility considered in the works of foreign and domestic scientists. It is worth noting that the modern development of corporate social responsibility in Kazakhstan is carried out following global trends, but the process could be faster. The authors also identified the most significant problems of corporate social responsibility development in Kazakhstan, such as a haphazard approach to the formation of corporate social responsibility development policy, incomplete openness of interaction processes between the state and business, the unreasonableness of existing economic measures to stimulate corporate social responsibility, weak involvement of the civil sector in the practice of corporate social responsibility.

Thus, recognizing the need to modernize the current corporate social responsibility policy, this study proposes to form a systematic approach to developing corporate social responsibility, developing a version of the policy in the previous work section. A systematic approach will allow not only to involve businesses more actively in solving social problems and thereby contribute to reducing social tension in Kazakhstan but also to instil in the population the skill to take responsibility for their well-being. Citizenship development of the Kazakh society is one of the conditions for sustainable development.

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Pro-Environmental Behavior and Household Waste Sorting in Kazakhstan: an Empirical Analysis

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Abstract

Climate change, deterioration of nature, pollution - all these have led to the fact that ecological behaviour has become a necessity for the conservation of nature and its resources. Pro-environmental behaviour is one of the most important factors for sustainable development. Thus, from year to year, pro-environmental behaviour becomes an important subject of discussion for many scientists and government bodies. The purpose of this study is to determine the level of pro-environmental behaviour among the population in household waste sorting and to identify the state of development of infrastructure for the disposal of household waste in the settlements of Kazakhstan. The methodology includes an Internet survey, which was conducted among the population of Kazakhstan aged 18 years and older. The survey involved 2264 respondents. Research results show that 3 out of 5 hypotheses that we assumed turned out to be positive. Thus, statistical analyses showed the following results: Pro-environmental behaviour and waste management mostly depend on - 1) the gender of the respondents, 2) the level of education of the respondents, and 3) the type of settlements of the respondents. Also, the sorting of household waste has a negative connection with the age and marital status of the respondents. Based on these results, it can be assumed that pro-environmental behaviour can be affected by gender, level of education, and the type of settlement. Policymakers should pay attention and give support at all levels like infrastructure, education, etc.

Keywords: Pro-environmental Behavior, Waste Sorting, Waste Management, Circular Economy, Kazakhstan

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1. INTRODUCTION

There are many issues related to the environment today – climate change, depletion of natural resources, increased waste, air pollution, etc. Environmental issues are always in first place, and humanity should already be thinking about a reasonable approach to production and consumption to save our planet (Report of the World Commission on Environment and Development 1987; S. Harris et al. 2021).

The circular economy in terms of production and consumption in the country is one of the alternatives to the current linear economy, which adheres to the principle of "take, use, dispose". Today, the linear economy is known for its harmful effects on the environment; not only scientists but also politicians from all over the world discuss this issue at the global level. That is why the need to transform from linear to alternative types of economy, namely the circular economy, is an actual topic for discussion (Ellen MacArthur Foundation, 2012; Acerbi & Taisch, 2020).

According to the World Health Organization (WHO, 2018), the circular economy can be described as focusing on closed-loop material flows. This means reducing the consumption level of natural resources, changing utilization patterns to extend a product's life cycle, and transforming the existing models of consumption. Consumer behavior is integral to the circular economy (Gomes et al., 2022). In this regard, we considered existing theories regarding consumer behavior, from the theory of planned behavior (TPB) to pro-environmental behavior.

The relevance of the study of pro-environmental behavior and household waste sorting in Kazakhstan is substantiated by the fact that today the level of sorting and ecological culture is deficient among the population of Kazakhstan. There needs to be more awareness about specific ways of sorting household waste. For example, most of the population needs to learn the need to deliver hazardous waste to particular organizations and know where they are accepted. In this regard, it is essential at the practical level to quantify at what level the culture of sorting household waste is by the population of Kazakhstan. On the one hand, it is essential to note the infrastructural obstacles that prevent household waste sorting.

Numerous studies are dedicated to the importance of reasonable consumption and production. However, there needs to be more vision of the factors affecting consumers' pro-environmental behavior. Therefore, the following research question was set in this study:

RQ1. Which factors affect pro-environmental behavior and waste sorting?

This study contributes to the current literature by increasing the materials for further research and strengthening the knowledge about influencing factors on the environmental behavior of consumers/population.

2. LITERATURE REVIEW

The theory of planned behavior

Several theories have been proposed to study people's behavior. Ajzen's theory of planned behavior (TBP) is one of the well-known theories in this field (Ajzen, 1991; Ajzen, 2012). TPB is an advancement of Fishbein and Ajzen's theory of reasoned action (TRA), which was developed in 1975. According to Ajzen: "Intention is the immediate antecedent of behavior and is itself a function of attitude toward the behavior, subjective norm, and perceived behavioral control; and these determinants follow, respectively, from beliefs about the behavior's likely consequences, about normative expectations of important others, and about the presence of factors that control behavioral performance" (Ajzen, 2012). From this definition, it can be seen that the root of any behavior is – intention. According to the TPB, intentions can be determined by three main variables: 1 – personal attitudes (feelings, attitudes and complete knowledge when considering the behavior), 2 – subjective norms (one's perception/view of another's attitude towards behavior), 3 – perceived behavioral control (the degree to which one believes he/she can

control his/her behavior). Figure 1 described three main variables of the intention.

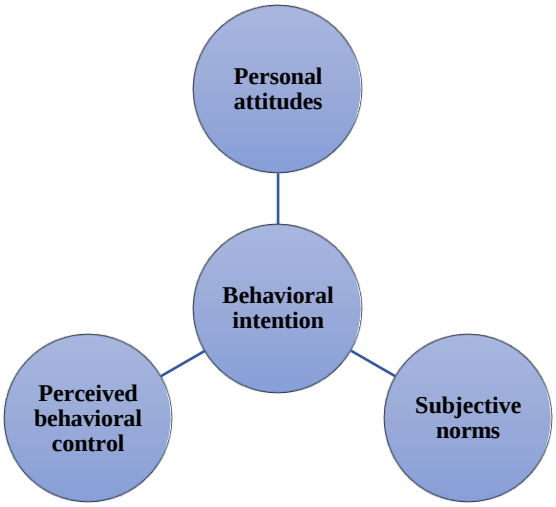

FIGURE 1. Three main variables of the intention

Note: Compiled by the authors based on references Ajzen (1991); Ajzen (2012)

Figure 1 shows the main three variables of the intention, according to Ajzen (Ajzen, 1991). As it can be seen, behavioral intention is driven by personal attitudes, perceived behavioral control, and subjective norms. Previous research shows a positive relationship between purchase intention and personal attitude. For instance, Kun-Shan Wu and Yi-Man Teng have studied that perceived control over purchases, environmental consciousness, and moral commitment directly affect purchase intention (Wu & Teng, 2011).

The pro-environmental behavior Thogersen and Noblet have conducted a survey study in the USA showing that every day "green" behavior and acceptance of wind power expansion are interrelated, and both are rooted in environmental concerns. It means that the promotion of such behavior as "green" can lead to the increasing acceptance of even bigger changes in the future to save the environment (Thogersen & Noblet, 2012).

Thogersen and Truelove, Carrico, Weber, Raimi, and Vandenbergh interpreted the spillover effect as a phenomenon in which an intervention aimed at reinforcing one targeted behavior may lead to an increase or decrease in another, non-targeted behaviors (Thogersen, 1999; Truelove et. al., 2014). According to the theory of cognitive dissonance, the Ecobuying attitude can be explained as follows: positive pro-environmental attitude and belief will lead to positive pro-environmental action. While assessing the predictability of GBB or Intention, the Ecobuying attitude (or pro-environmental attitude) has shown a positive and significant impact on most research outcomes.

Self-determination theory also can be related to the pro-environmental attitude. This study shows that people's behavior is interrelated with motivation to grow and change. In particular, SDT explains the three basic inner psychological needs in changing an individual's behaviour: 1 – needs for competence, 2 – needs for autonomy, and 3 – needs for relatedness. Scientists claim that the propensity to be active or passive depends mainly on the social conditions in which people grow up. By this, it can be said that social support plays an important role – people's interactions can either foster or hinder a society's personal growth and development (Ryan & Deci, 2000).

A positive spillover effect of pro-environmental behavior has been discussed in many related studies. For instance, Thomas, Poortinga, and Sautkina found that Wales' one-time shopping bag policy encourages shoppers to reuse shopping bags and encourages appropriate sustainable behavior (Thomas et al., 2016).

Yang, Cheng, Wang and Li investigated waste-sorting policies in Chinese cities and concluded that penalty policies reduce people's sustainable consumption behavior through a negative spillover effect. In contrast, a voluntary participation policy markedly increases people's sustainable consumption behavior due to a positive spillover effect (Yang et al., 2021).

Tleppaev and Zeinolla conducted research on approaches to circular economy (CE) indicators in the European Union and the OECD countries (Tleppaev & Zeinolla, 2021). To evaluate one of the characteristics of CE, namely, the recycling of raw materials, they created a model that allows us to evaluate the impact of indicators on this characteristic. It also revealed a positive relationship between CE, economic development, and innovation.

As a result of the literature review, we concluded that people's behavior is influenced by many factors. We want to mention respondents' social and demographic parameters as variables. From there, the variables of this research can be defined as follows:

Independent variables are gender, age, education, place (city, region), marital status

The dependent variable is the sorting of household waste.

The value of this study lies in the fact that such research has not been carried out before in Kazakhstan.

According to the theories above, the following hypotheses are put forward:

H1. The sorting of household waste depends on the gender of the respondents.

H2. The sorting of household waste depends on the level of education of the respondents.

H3. The sorting of household waste depends on the type of settlements of the respondents.

H4. The sorting of household waste depends on the age of the respondents.

H5. The sorting of household waste depends on the marital status of the respondents.

3. METHODOLOGY

In this study, a quantitative research strategy will be applied. The quantitative research approach allows us to determine the causal relationship between the phenomena and the prevalence of the problem among the studied object (Kasim & Antwi, 2015). In particular, the correlation design of the study involves assessing the relationship between the variables sorting household waste and the social and demographic parameters of respondents. Also, the quantitative research approach allows statistical testing of research hypotheses. It highlights important aspects for further qualitative research to find the deep causes of the problem under study (Marvasti, 2018). In the data analysis, cross tables were built using the SPSS 25 program.

Furthermore, the Pearson chi-square correlation test was used for the statistical assessment of the relationship, allowing statistical verification to confirm or refute the study's hypotheses (Nihan, 2020). The survey method was used to collect primary data. This research methodology makes it possible to determine the interrelated factors of sorting household waste, considering the social parameters of the population of Kazakhstan. This differs research from previous empirical studies on this issue.

A population survey was conducted to study the environmental behavior of the population at the level of individuals. A quantitative survey of the population based on formalized research tools (questionnaires) makes it possible to assess the prevalence and magnitude of the studied parameters of ecological culture in the public consciousness. An online survey on the Google platform was used to collect relevant data. The choice of web-based survey tools is driven by low cost, faster feedback, and ease of generating a basis for analysis (Liaw, 2022). Links to surveys

were also shared on social media. Previous research has shown that sending surveys to a well-defined and specific population has a positive effect on online survey response rates (Wu et al., 2022).

In April-May of the year 2022, a continuous survey of the population was conducted. The total sample size was 2264 respondents. Primary data were processed using the SPSS 25 program.

Thus, mainly young people (49.5%) and those aged 30 to 45 years - 42.6% participated in the survey. The share of other categories of the population was not significant. By gender, 48.4% of men and 51.6% of women participated in the survey. The sphere of activity of the respondents covers various areas: among the respondents, there are more employees - 60.2%. The number of self-employed and student respondents was 13% each. Basically, the respondents' level of education was higher - 62.9%. The majority of respondents have a monthly income of up to 300,000 tenges (608 euros), and 65.4% of the respondents have their own families.

TABLE 1. Socio-demographic characteristics of respondents

Questions	Answers	Distribution %
Your age	under 18	4,1
	19-29 years	49,5
	30-45 years	42,6
	46-55 years	3
	56-65 years	0,8
	Total	100
What is your current activity?	Hired worker	60,2
	Entrepreneur	4,2
	Self-employed	13
	Student	13
	Unemployed	6,2
	Retired	0,4
	On parental leave	3
	Total	100
Your level of education:	Secondary general education	8,3
	Secondary special education (technical school, college, etc.)	16,5
	Incomplete higher	12,3
	Higher (including bachelor's and master's degrees)	62,9
	Total	100
Your monthly income is	Under 60 000 tenge	23,3
	From 61 000 to 100 000 tenge	16,3
	From 101 000 to 200 000 tenge	28,9
	From 201 000 to 300 000 tenge	15,8
	From 301 000 to 400 000 tenge	8,8
	More than 401 000 tenge	6,8

	Total	100
Your marital status:	Married	65,4
	Not married	28,6
	Divorced	4,7
	Widower (widow)	1,2
	Total	100

Note: Compiled by authors

4. FINDINGS AND DISCUSSION

Sorting household waste is a daily manifestation of environmental behavior. In this regard, the questionnaire included a question on sorting waste by residents. According to the survey results, 1/3 of the surveyed respondents sort waste into two categories - 32.7%. More than ¼ of the respondents do not sort waste at all. Waste is sorted into three categories by 22.2% of respondents. 10.6% found it difficult to answer this question. It should be noted that among the respondents, the proportion of those who sort waste into four or more categories is very small - 4.5% and 3.3%, respectively (Figure 2).

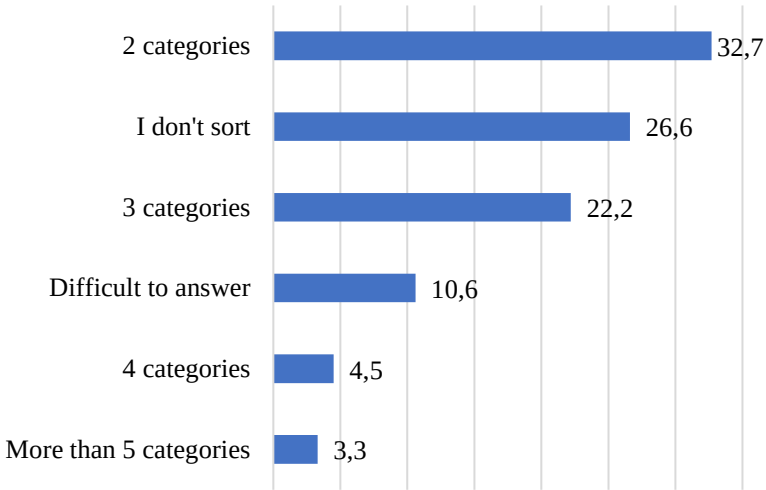

FIGURE 2. Distribution of answers to the question "Into how many categories do you sort waste?", %

Note: Compiled by the authors

As it turned out, the population mainly sorts first of all paper and cardboard (14.0%), then plastic packaging (11.3%), organic waste (11.0%), and hazardous waste (for example, batteries, and mercury lamps) (10.8%). Also, the option "none of the specified categories" was noted by 9.2%. For the rest of the positions, metal, glass, bottles, packaging, cans, organic waste, children's toys, and packaging materials have very low indicators (Figure 3).

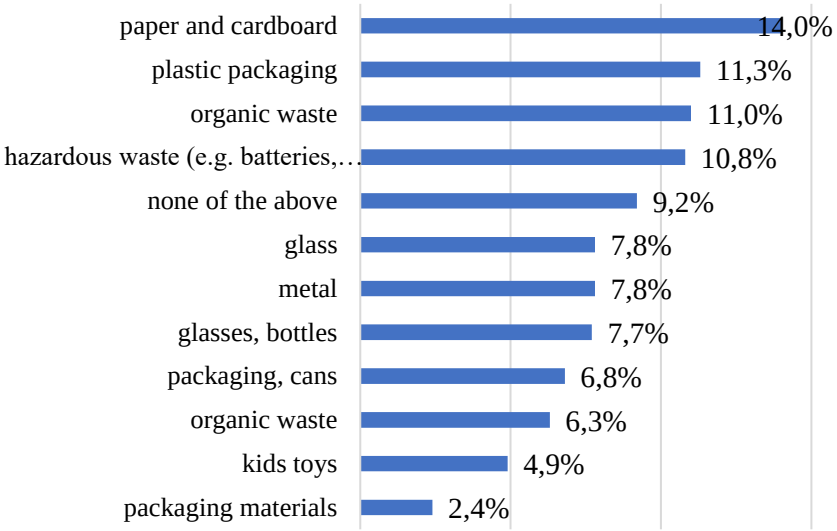

FIGURE 3. Distribution of answers to the question "What types of waste do you sort at home?", %

Note: Compiled by the authors

Cross-tabulations were built in SPSS 25 and Pirson's chi-square was calculated to test the hypotheses highlighted based on the literature review section. Based on the significance level, it is possible to confirm or disprove the hypotheses (see Table 2).

TABLE 2. Cross-table of questions: "Into how many categories do you sort waste?", "Your gender", "Your level of education", "Indicate your locality", "Your age", and "Your marital status."

Into how many categories do you sort waste?									
		No sorting at all	2 categories	3 categories	4 categories	More than 5 Categories	Difficult to answer	Total	Asymptotic Significance (2-sided) of Pearson Chi-Square
Your gender	Man	30,7%	29,3%	20,1%	3,5%	3,7%	12,7%	100%	**0,000**
	Woman	22,8%	35,9%	24,2%	5,5%	2,9%	8,7%	100%	
Your level of	Secondary general education	36,2%	17,6%	19,1%	3,2%	2,1%	21,8%	100%	**0,000**

education	Secondary special education (technical school, college, etc.)	22,0%	32,2 %	26,3%	7,8%	3,8%	8,0%	100 %	
	Incomplete higher	30,6%	34,9 %	19,1%	3,6%	2,5%	9,4%	100 %	
	Higher (including bachelor's and master's degrees)	25,8%	34,4 %	22,2%	3,9%	3,5%	10,1%	100 %	
Indicate your settlement	City of republican significance	26,0%	36,6 %	20,3%	3,8%	2,6%	10,7%	100 %	
	City of regional significance	24,3%	34,4 %	22,8%	5,8%	3,2%	9,5%	100 %	**0,001**
	City of district significance	26,6%	30,6 %	24,1%	3,6%	4,0%	11,2%	100 %	
	Village	31,1%	23,7 %	24,3%	5,0%	4,3%	11,5%	100 %	
Your age	under 18 years	31,5%	19,6 %	23,9%	8,7%	1,1%	15,2%	100 %	
	19-29 years	28,8%	31,2 %	22,5%	4,1%	3,3%	10,1%	100 %	
	30-45 years	23,9%	35,5 %	21,8%	4,1%	3,5%	11,2%	100 %	0,075
	46-55 years	22,1%	39,7 %	20,6%	8,8%	2,9%	5,9%	100 %	
	56-65 years	35,3%	23,5 %	23,5%	5,9%	5,9%	5,9%	100 %	
Your marital status	Married	24,9%	35,8 %	21,9%	4,0%	3,7%	9,6%	100 %	0,002
	Not married	30,2%	25,6 %	23,5%	4,6%	2,9%	13,1%	100 %	
	Divorced	27,8%	33,3 %	18,5%	9,3%	0,9%	10,2%	100 %	
	Widower (widow)	29,6%	25,9 %	25,9%	3,7%	3,7%	11,1%	100 %	
	Total	26,6%	32,7 %	22,3%	4,5%	3,4%	10,6%	100 %	Total
Note: Compiled by authors									

The survey results reveal that the sorting of household waste is influenced by the gender of the respondents, the level of education, and the type of settlements. In particular, the female population sorts more waste than men. The higher the level of education, the higher the level of waste sorting. A more significant proportion of the population sorts waste among the residents of big cities. However, it should be noted that more people sort waste into more than three categories among the rural population. Additionally, the survey showed that household waste sorting does not depend on the age and marital status of the respondents (Table 3).

TABLE 3. Hypotheses

H1. The sorting of household waste depends on the gender of the respondents.	+
H2. The sorting of household waste depends on the level of education of the respondents.	+
H3. The sorting of household waste depends on the type of settlements of the respondents.	+
H4. The sorting of household waste depends on the age of the respondents.	-
H5. The sorting of household waste depends on the marital status of the respondents.	-
Note: Compiled by authors	

The objective factor in environmental behavior is the development of appropriate infrastructure, a condition for sorting waste. In this regard, the survey included a question on finding the availability of eco points for receiving certain types of waste for recycling. In general, it turned out that the population needs to be made aware and have information about eco points (40.8%). Also, 35.8% indicated that there are no such opportunities and noted that they would like to take advantage of this if available. 13.8% of respondents noted that they have but do not want to use them. Only 6.7% of the population with such infrastructure use and recycle waste (Figure 4).

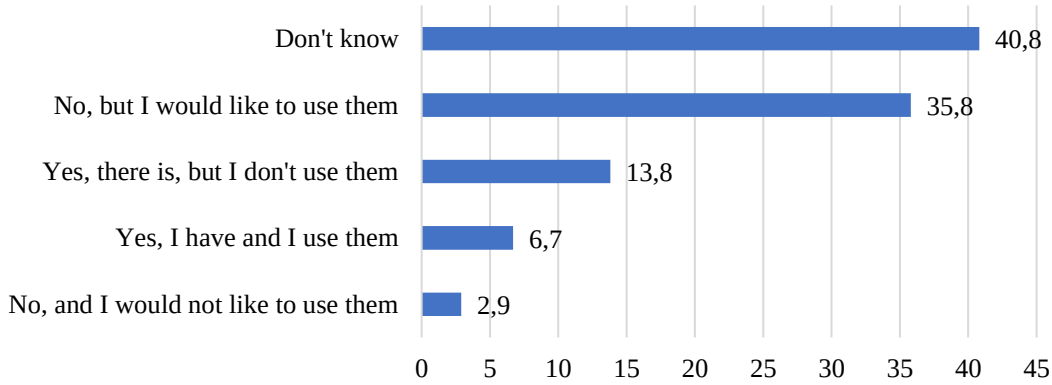

FIGURE 4. Distribution of answers to the question "Are there eco points in your region/city for receiving waste for recycling, and do you use them?", %

Note: Compiled by the authors

As it turned out, more than 1/3 of the respondents, 38.8%, do not know about household waste disposal in their settlements. Also, 31.8% indicated that waste is taken to landfills. Next is the

answer "they don't do anything with the waste, the residents themselves take out their garbage" - 18.9%. The option "sorted and processed" was noted by only 6.9% of respondents and 3.6% - "burned at special plants" (Figure 5).

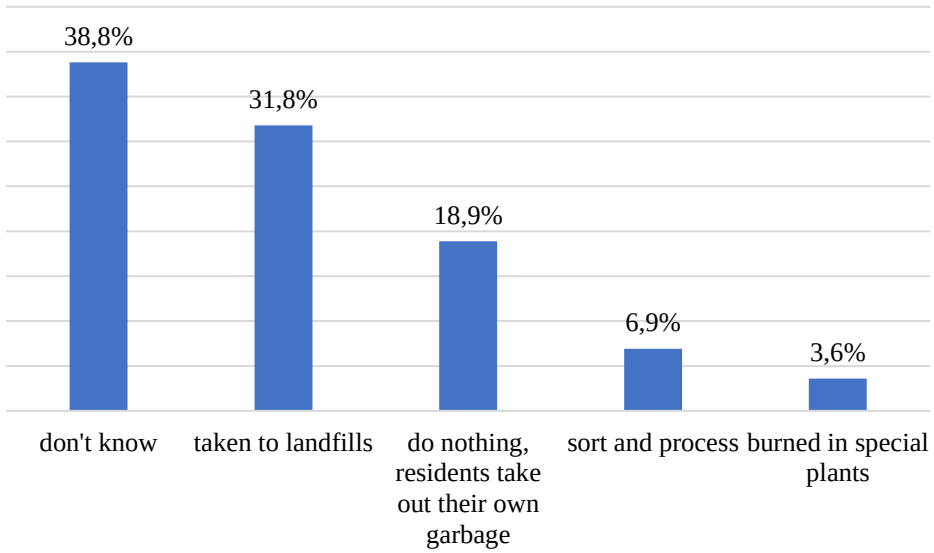

FIGURE 5. Distribution of answers to the question "How is waste disposed of in your settlement?", %

Note: Compiled by the authors

In the cross-tables on the questions "How is the waste disposed of in your settlement (select all that apply)? * Type of locality", it was found that in regional and district cities most of the waste is taken to landfills. They are burned in special plants and sorted and processed more in megacities. Thus, the infrastructure for household waste disposal is underdeveloped in district cities and rural settlements.

TABLE 4. Waste disposal options and types of settlements

	City of republican significance	**City of regional significance**	**City of district significance**	**Village**
Taken to landfills	32,3%	**47,7%**	41,7%	30,9%
Burned in special plants	**5,6%**	4,9%	1,5%	2,0%
Sort and process	**9,6%**	9,8%	5,8%	3,8%
Do nothing, residents take out their own garbage	13,4%	16,1%	**26,5%**	**44,2%**
Don't know	**57,8%**	**39,4%**	36,3%	30,1%
Chi-Square Tests Asymptotic Significance (2-sided) - 0,000				
Note: Compiled by authors				

5. CONCLUSIONS

The literature on environmental behavior is growing daily, indicating great interest in this term involving governments, institutions, and businesses. Recent researches suggest that priority should be given to pro-environmental behavior. However, the relationship between pro-environmental behavior and factors that may influence pro-environmental behavior still needs to be well explored.

This study attempts to fill this gap by analyzing the correlation between pro-environmental behavior and factors that may influence pro-environmental behavior. This article investigated the factors influencing waste sorting in the Republic of Kazakhstan. In this work, data obtained through an Internet survey among the population of the Republic of Kazakhstan aged 18 years and over were used. Information about the respondents, their pro-environmental behavior, and waste sorting methods were collected and analyzed statistically. An empirical analysis was carried out on a sample of 2264 respondents using the SPSS 25 program. According to the results of the research, the following conclusions were made:

The results of the survey and analysis showed that there are factors influencing waste sorting, such as:

- the gender of the respondents affects the sorting of waste among the population of the Republic of Kazakhstan;
- the level of education of respondents also affects the sorting of waste among the population of the Republic of Kazakhstan;
- the type of settlement of the respondents also showed a positive result as an influencing factor on waste sorting among the population of the Republic of Kazakhstan.

In addition, according to the results of empirical analysis, it was found that age and marital status do not affect the sorting of household waste.

The prospect of this study is to conduct qualitative research to identify the deep causes and socio-cultural factors that affect the environmental behavior of the population. Also, based on statistical data on the regions of Kazakhstan on household waste and the level of air pollution, a comparative analysis can be carried out with the results of this empirical study.

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The Potential of Human Capital Investment in Contributing to Economic Growth: ARDL Approach in the Context of Eastern and Southern Africa

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Abstract

Despite 25 years of exceptional progress in human development, there are still significant obstacles to overcome, particularly for underdeveloped nations. Numerous African countries devote substantial support to ensuring quality employment, a skilled workforce, and the building of an inclusive labour market. Hereby, the actual paper investigates the potential of human capital investment in contributing to the economic growth of Eastern and Southern Africa from the period 2001 to 2020. The study also attempts to determine the factors that promote skilled workforces in African countries. To carry on with the examination the study used an Autoregressive Distributed Lag (ARDL) model and the Granger causality tests. The rationale behind using these models is to capture the long-run and short-run dynamic relationship among the variables and to observe the direction of these relationships. Within this framework, the results exhibited that both during the long run and short run the educational level of individuals, government expenditure in education, and labour tax contribution affect the economic growth of the region. Whereas the Granger causality test establishes a one-way causal relationship between all educational levels and economic growth. The test presented no clear connection between government expenditure on education, labour tax, and GDP. Finally, the research provides evidence about the importance of investing in human capital to promote long-term economic growth. And how the government's efforts and educational system operate in Eastern and Southern Africa, which is a geographic region that is often overlooked.

Keywords: Human Capital, Economic Growth, Education, Government Expenditure, Africa

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1. INTRODUCTION

The Sustainable Development Goals (SDGs) objectives remain far from being met in the East and Southern Africa (ESA) area, where high rates of poverty are still prevalent. Furthermore, there are several obstacles that prevent the really poor from participating in the economy. They include limited exposure to public services like medical services, schooling, transportation, and marketplaces as well as poor access to essential infrastructure like roads, water, power, sewage, and sanitation systems (UNESCO, 2018).

The elderly, those with impairments, and countryside women and youth are among the severely impoverished individuals who are particularly prone to be left behind. Approaches to end extreme poverty must take into account the unique circumstances and requirements of each of the following groups (Jaiyeoba, 2015). It is presumed that the region in its entirety as well as the circumstances of each member nation, possesses the necessary political authority and commitment to address the underlying issues that contribute to severe economic hardship, such as inequitable availability of resources, gender discrimination, and systemic racism. Income disparity, high rates of unemployment, particularly among teenage people, a high prevalence of sickness, poor health facilities, low levels of education, and other concerns are some of the major problems the region is facing. Major difficulties in the region include gender-based violence and significant gender inequalities in engagement and decision-making at all stages (Porter, 2017). Rural communities, where poverty and marginalization are pervasive, are particularly affected by these problems.

It is impossible to ignore the contribution human capital formation makes to promoting global and African economic progress. The development of human capital has been acknowledged by economists as a requirement for any country's transformative change in all sectors of the economy and other under-aligned variables (Osiobe, 2020). Without sufficient human capital generation, no nation has ever had a substantial increase in economic progress.

A well-capitalized human potential places a strong emphasis on human growth and potential, including people's information and abilities obtained through knowledge acquisition utilizing schooling as a learning aid, which mostly relies on the quality of one's fitness, nourishment, and other factors like skills. Additionally, it is involved with the efforts made to develop talents as a method of factors of production (Tsaurai, 2022).

Additionally, human potential is a powerful tool for economic growth as productivity and, consequently, revenue, are shown to be increasing. For specific countries, health and education are the main drivers of development, and the more Governments spend on individuals (i.e., their education, training, and healthcare), the more productive and innovative they may be. These indices are crucial and represent the complete end of an era. Health is largely dependent on basic well-being, and education is the foundation for knowledge (Minhaj, 2021).

The examination concerning human capital investment and economic growth has not existed without disparities. For instance, most authors focused on a specific relationship between human capital and other factors, hence neglecting the role of government and education indices. Notably, Zafar et al. (2019) concentrated only on the relationship between human capital, natural resources, and economic growth. Filippaios et al. (2019) researched the impact of political governance and human capital as a result of discarding economic growth. Also, Sulisnaningrum (2021) assessed the link between human capital and the agricultural sector. This suggests that previous studies tried to establish a link between human capital and other sectors and macroeconomic factors such as health, agriculture, environment, and politics.

Accordingly, the purpose of this paper is to examine the potential of Human capital investment in contributing to economic growth, particularly in the Eastern and Southern Africa region. Additionally, the paper contains major objectives such as determining the factors that produce a skilled workforce. An evaluation of the role of education in playing a crucial role in

shaping the labor force. An overview of how Eastern and Southern African countries allocate funds in promoting human capital. Within this scope, in order to measure the economic growth of the region, the GDP was employed. As additional indicators for assessing the development of human capital, the study considers factors including primary, secondary, and tertiary enrollment. Although government expenditure and labor tax contributions are seen as proxies for evaluating a human capital investment. What is more, the ARDL approach and granger causality test are used to observe the long-run and short-run estimates as well the direction of the relationships.

The format of this article is described in the following. The available literature is reviewed in the second part. The third section provides information on the sources and usage of the data as well as the econometric model. The fourth section interprets the empirical findings. The paper is concluded in the fifth section.

2. LITERATURE REVIEW

The most precious asset in a nation is its human capital; without it, capital formation (equipment, material, and infrastructure) would not function well, which will limit economic progress (Garzarelli & Limam, 2019). The human (resource) capital elements of health and education collaborate to boost an individual's productivity. It is impossible to prioritize one element above another. The capacity to conduct a professional and economically active life is a sign of health (Pomi et al., 2021).

A healthy population will be very productive, and those with higher levels of education often use more sophisticated manufacturing techniques. In addition, as citizens of a liberal country, human capital investment equips individuals with political involvement. From a societal, political, and cultural perspective, human capital development enables people to enjoy better, more fulfilling lives with fewer restrictions imposed by custom. It is a means of empowering people, and doing so will enable them to significantly contribute to the operation of the economy's development (Prasetyo & Kistant, 2020).

Due to human capital's fundamental influence on microeconomics via interpersonal basis, schooling, knowledge acquisition, and experience in the field, investment in human capital is essential. Additionally, there is a sizable and expanding body of research showing a beneficial relationship between HC and performance improvement at both the personal and institutional levels (Armstrong & Taylor, 2020). Economic development is characterized as a rise in output over the long term. Growth affects per capita income since it indicates a rise in production. According to the endogenous growth hypothesis in economics, the system's internal processes, which originate from the system's internal mechanisms, encourage economic development. Both creativity and growth are fostered by the human capital's quality (Diebolt & Hippe, 2022).

HC may be invested in by an individual via schooling, experience, and healthcare, much like "material means of production" like industries and machines, in Baker's view. Outputs are dependent, in part, on how blind the yield ratio on the allocated human capita; is. A nation's economic performance will increase as its economy grows (Kim, 2018). The amount of natural reserves within a nation contributes to elevated natural growth potential, which must be given access to achieve greater levels of GDP growth, supplied they are used effectively and actively. The need for natural wealth accessibility is correlated with the effectiveness of their users (Abdeldayem et al., 2021).

It should be highlighted that increasing labor levels alone will not guarantee higher economic progress rates; rather, improving the condition of the working population and improving their level of education, training, and work-related skills is necessary. Additionally, any nation requires a high-quality infrastructure to support productivity expansion. For development to occur, a structure of social, legal, and financial institutions must match aspirations of rapid economic

expansion (Lim et al., 2018).

Empirically, Becker (1995) demonstrates the link between poverty and human capital. The researcher claims that despite the lack of adequate natural resources in Japan, Taiwan, Hong Kong, and South Korea, human capital has encouraged sustained prosperity in those nations. Official figures later revealed that, despite significant advancements in the Republic of Iran and Saudi Arabia, government spending on education in OPEC nations over the past ten years has averaged less than 12 percent. The development of human capital is crucial for eradicating poverty. Every country, advanced and emerging, today prioritizes achieving a major drop in poverty.

Canpolat (2000) described research that looked at the impact of economic expansion on the development of human capital in Turkey in the 2000s. His investigation came to the conclusion that increasing human capital has a 40% positive impact on economic development. Pazarlolu (2007) used an econometric model to evaluate the association between human capital investments and the international competitiveness of nations with high levels of competitive power between 2000 and 2004. As a consequence of the investigation, it was discovered that economic variables can influence competitiveness via human capital. It has been established that the factor of schooling influences assessments of international standing.

In the instance of Malaysia, Abdullah et al. (2013) discovered an inverse association between education and economic growth. Due to a few factors, this link is not brand-new in the literature. Several elements were suggested in earlier research in relation to current issues. First, education might not raise the level of productivity. Additionally, it plays no role in the production process. Pritchett (2001) further argued that there is a good likelihood that many educated individuals may engage in criminal activities that will hinder economic progress. Another research suggested by Awan and Naseem (2018) discovered that while health spending increased economic growth, education expenditure had a considerably negative correlation with it.

Oisaozoje and Isaac (2016) looked at how human capital development affected Nigeria's economic expansion. From 1999 to 2015, time series data were gathered from public sources. The results of the Ordinary Least Squares (OLS) analysis show that Nigeria's economic growth and human capital development are inconsequential.

Innocent (2017) conducted an empirical investigation of the link between government spending and the growth of human capital. Information was gathered between 1990 and 2014. Impulse response function and Augmented Regressive Distributed Lag (ARDL) were used for the estimate. The Human Development Index (HDI) and government spending have a long-term correlation, according to the Bound Test (GOVEXP). The findings showed that while government investment has continued to be beneficial over the long and short terms, it has been mostly unimportant to Nigeria's growth of its human capital.

Awan and Kamran (2017) further identified the link between Pakistan's economic growth and human resources development by using time-arrangement data for the timeframe (1985 to 2014). The findings indicated that improving human capital is essential for economic success. The observed result offers the most convincing proof of the link between human resources and economic expansion. Moreover, Afridi (2016) examined the contribution of human capital development to increased productivity that might aid in Pakistan's economic development and drew attention to the country's declining position in the skilled labor index. The finding indicated that in order to reach the goal of productivity expansion, the domains of education and health require attention.

Githaiga (2021) analyzed the importance of Human capital and bank performance in East African banks. The study discovers that human capital and income diversity have a considerable impact on bank performance; however, the causation of the relationship differs. Diversification of income has a negative impact but human capital has a beneficial impact. Additionally, the

interaction term has a negative and substantial impact on bank performance, suggesting that income diversification has a negative impact on the link between human capital and bank performance.

Gebrehiwot (2016) examined the impact of Human Capital Development on Economic Growth in Ethiopia. The study used an ARDL model from the period 1974 until 2011. The projected long-run model shows that education and health are the two human capitals that have the greatest impact on the growth of real GDP per capita. However, the short-run model's estimated coefficients show that government spending and gross capital formation are the next-largest drivers of real GDP per capita change. Health does not, however, have a substantial short-term influence on the economy, unlike its long-term considerable impact. Another study conducted in Ethiopia by Borojo and Yushi (2015) revealed that public spending on health and education, as well as enrollment in elementary and secondary schools, have a positive and statistically significant impact on economic growth in both the long- and short-term. Furthermore, the impact of physical capital on economic growth is positive, compared to the impact of inflation. But both in the long run and the short run, enrollment in tertiary education has little impact on economic growth.

Goca (2014) investigated the long-run relationship between human capital and economic growth in Mozambique over the period from 1975 to 2006. According to the results, there is a long-term link between economic development and human capital. And the paper concludes that in terms of achieving a production function, a skilled labor force appears to have a considerable impact on economic growth.

Shafuda and De (2020) observed the government expenditure on human capital and growth in Namibia. Their study presented a significant long-run inverse link between government healthcare spending and the rates of fertility, new-born mortality, and under-five mortality. Government healthcare spending, however, does not appear to be correlated with either the adult mortality rate or life expectancy. Additionally, the findings indicate a significant long-term beneficial association between government spending on education and the rates of literacy, net primary enrollment, and gross tertiary enrollment. The gross enrolment rate at the elementary and secondary levels does not, however, co-integrate with government spending on education. The long-term effects of spending on healthcare and education, which increase human resources, on GDP development were significantly highlighted by the vector auto-regression study.

Cyesa et al. (2019) assessed the effect of human capital development on economic growth in Rwanda from th period 2004 to 2018. The study's findings support the notion that Rwanda's economic growth benefits from the development of its human capital. Public spending on health and education has a positive and significant impact on the country's GDP growth, while tertiary education has a positive rather than a negative impact on it.

Abel (2019) analyed the human capital development and economic growth Nexus in Zimbabwe for the period 1980 to 2015. The results of this study suggest that economic growth and human capital development have both a short- and long-term link in Zimbabwe. The outcome is divided about the nature and importance of the relationship. Government health spending as a proxy for human capital development has a considerable beneficial influence on economic growth—both in the short and long terms—confirming that a healthier labor force will be more effective and productive. Government spending on education as a proxy for human capital development has been demonstrated to have a long-term detrimental influence on economic growth. In conclusion, although the connection is tenuous, it was discovered that Zimbabwe's economic growth and the development of its human capital are positively correlated.

3. METHODOLOGY

3.1 Data source and Description

The present study looks at how investing in human capital could help the economy thrive. With relation to Africa Eastern and Southern as a pivotal region, the research uses yearly time series data ranging from 2000 to 2021. This region was carefully selected because it is geographically, culturally, and economically diverse and is a hub for about 60% of Africa's population. In 2021, the region's economic growth was projected to be $1,917,904 million, with South Africa leading the way, followed by Angola, Kenya, and Ethiopia. The only high-income economies in the region are Seychelles and Mauritius. Based on this information, the paper used the region's GDP as an index of economic growth. Additionally, the research takes into account variables like primary, secondary, and tertiary enrolment as indices for gauging the growth of human capital. While the labor tax contribution and government spending are considered proxies for measuring human capital investment. Within this scope, to carry on with the examination Autoregressive Distributed Lag (ARDL) model and Granger causality test are performed to capture the long-run and short-run dynamic relationship among the variables. As well as to determine the direction of these relationships. All the information was extracted from the World Bank Indicators. Table 1 presents description of variables.

TABLE 1. Description of Variables

Variable	Abbreviation	Description	Measurement
Dependent	GDP	Economic Growth	The logarithm of GDP (current US$)
Independent	P	Reaching Primary Education	School enrollment, primary (% gross)
	S	Reaching Secondary Education	School enrollment, secondary (% gross)
	T	Reaching Tertiary Education	School enrollment, tertiary (% gross)
	GV	Government investment in human capital	Government expenditure on education, total (% of government expenditure)
	LT	Human capital	Labor tax and contributions (% of commercial profits)
Note: Compiled by authors			

3.2 Econometric Model

The study applies the ARDL method for an empirical investigation of cointegration developed by (Pesaran & Shin, 1999). The ARDL approach has the benefit of not requiring the same degree of integration for each variable, which is a benefit. It is not particularly important if a factor has order zero, order one, or a variable order of integration. ARDL is preferable to traditional cointegration methods because of this property. Since the traditional cointegration techniques become unstable because the test's ability to detect cointegration is reduced when there is a mixed order of integration (Laurenceson & Chai, 2003). Accordingly, the empirical model for this study is presented below by formula (1):

$$GDP = \int (P, S, T, GV, LT) \quad (1)$$

In this research, we observed GDP which expresses the indicator employed for economic growth in this study. And P, S, T, GV, and LT which denote the regressors. Once the above equations are log-linearized, the below equation is generated by formula (2):

$$GDP_t = \beta_0 + \beta_1 P_t + \beta_2 S_t + \beta_3 T_t + \beta_4 GV_t + \beta_5 LT_t + \varepsilon_t \quad (2)$$

In these equations, β_0 is the constant, and ε_t is regarded as the equation's error term. The parameters of β_1 through β_5 are the coefficients that are utilized to calculate the economic growth. Additionally, it is possible to compute both the short-run and long-run coefficients simultaneously. The preceding model was developed in order to establish ARDL bounds (3):

$$\begin{aligned}\Delta \mathrm{GDP_t} = {} & \propto_0 + \sum_{i=t}^{p} \propto_1 \Delta GDP_{t-1} + \sum_{i=t}^{p} \propto_2 \Delta P_{t-1} + \sum_{i=t}^{p} \propto_3 \Delta S_{t-1} + \sum_{i=t}^{p} \propto_4 \Delta T_{t-1} \\ & + \sum_{i=t}^{p} \propto_5 \Delta GV_{t-1} + \sum_{i=t}^{p} \propto_6 \Delta LT_{t-1} + \lambda_1 GDP_{t-1} + \lambda_2 P_{t-1} + \lambda_3 S_{t-1} \\ & + \lambda_4 T_{t-1} + \lambda_5 GV_{t-1} + \lambda_6 LT_{t-1} + \varepsilon \end{aligned} \quad (3)$$

The $\propto$ parameters in the equation denote the short-term relationship. On the other hand, the λ symbol represents long-term relationships. Consequently, this approach tests the null hypothesis of no cointegration ($\lambda_1 = \lambda_2 = \lambda_3 = \lambda_4 = \lambda_5 = \lambda_6 = 0$) or the alternative hypothesis of cointegration ($\lambda_1 \neq \lambda_2 \neq \lambda_3 \neq \lambda_4 \neq \lambda_5 \neq \lambda_6 \neq 0$) based on the F-test. Additionally, this F-test was developed based on the relevance of the lower and upper bound values, which were primarily expressed by (Pesaran et al., 2001). As a result, this method aids in providing pertinent information regarding whether the elements are cointegrated. Thus, if over a long period of time, the variables are cointegrated, an error correction model is used to estimate each variable's coefficient. The formula is shown below by formula (4):

$$\begin{aligned}\Delta \mathrm{GDP_t} = {} & \gamma_0 + \sum_{i=t}^{p} \delta_i \Delta GDP_{t-1} + \sum_{i=t}^{p} \phi_i \Delta P_{t-1} + \sum_{i=t}^{p} \phi_i \Delta S_{t-1} + \sum_{i=t}^{p} \phi_i \Delta T_{t-1} \\ & + \sum_{i=t}^{p} \phi_i \Delta GV_{t-1} + \sum_{i=t}^{p} \phi_i \Delta LT_{t-1} + \mu ECT_{t-1} + \upsilon_t \end{aligned} \quad (4)$$

According to the overall models above, the parameters μ, reflect the speed of adjustment, and ECT stands for the error correction term.

Granger Causality test

Additionally, it was intended to record how the different variables related to one another causally. The Granger causality test, recommended by (Granger, 1969), was performed to ascertain whether there is a causal link between the variables. Below a more comprehensive explanation of the model is provided (5) and (6):

$$X_t = \sum_{l=1}^{p} \left(a_{11,1} \mathrm{X}_{t-1} + a_{12,1} \mathrm{Y}_{t-1} \right) + \mu_t \quad (5)$$

$$Y_t = \sum_{l=1}^{p} \left(a_{21,1}\mathrm{X}_{t-1} + a_{22,1}\mathrm{Y}_{t-1}\right) + \epsilon_t \quad (6)$$

As presented in equation (5) and (6) is the model order, $a_{ij,1}(i,j = 1,2)$ are the coefficients of the model, and μ_t and ϵ_t denotes the residuals. Ordinary least squares can be used to estimate the coefficients, and F tests can identify the Causality relationship between X and Y.

Unit root test

To ensure the stability and reliability of the data the study performed stationarity tests that consist of the Augmented Dickey-Fuller test (ADF) and the Phillips-Perron test (PP). Starting with the augmented Dickey-Fuller test, it assumes that u is a white noise error term. However, if u is autocorrelated we would need a drift version of the test which allows for higher-order lags. Accordingly, the test is augmented using p lags of the original series (Dickey & Fuller, 1979). Furthermore, the Phillips-Perron test corrects for any serial correlation and heteroskedasticity in the errors by some direct modification to the test statistics (Phillips & Perron, 1988). Below the equations for both tests are presented (7) and (8).

$$\Delta y_t = \psi y_{t-1} + \mu + \alpha t + \sum_{i=1}^{p} \beta \Delta y_{t-1} + u_t \quad (7)$$

$$\Delta y_t = \psi y_{t-1} + \mu^* + \delta t + u_t, \qquad u_t \backsim I(0), ARMA(p,q) \quad (8)$$

As per equation (7) p is used to augment the past autoregressive lags of the difference term. While μ and αt denotes the time trend parameter and also the intercept. In equation (8) ψy consist of the initial term of the data while the term u_t implies the stationarity at level I(0). Additionally, μ^* expresses the intercept while δt denotes the time trend.

4. FINDINGS AND DISCUSSION

The descriptive statistics enabled researchers to undertake an extensive analysis of the variables that affected the dependent variables in addition to guiding their trend analysis over the course of the period. Table 2 displays the descriptive statistics for the variables.

TABLE 2. Descriptive Statistics

	GDP	P	S	T	GV	LT
Median	11.94024	2.012730	40.01425	7.791885	17.17479	7.291667
Maximum	12.03371	2.022686	42.93962	9.553100	18.14314	8.084000
Minimum	11.41300	1.908796	27.82991	4.064090	13.65829	7.029167
Std. Dev.	0.208861	0.034092	5.326696	1.899384	1.213933	0.380474
Skewness	-0.967235	-1.393715	-0.673073	-0.305078	-0.981403	0.502842
Kurtosis	2.498054	3.604021	1.921129	1.547910	3.333270	1.549066
Jarque-Bera	3.661278	7.456718	2.728068	2.274118	3.633372	2.856892
Observations	22	22	22	22	22	22
Note: Compiled by authors						

Based on the results we observe that GDP ranges from 11.41 to 12.03, with an average of 11.90. Next, all the variables have a low standard deviation which implies the absence of volatility

among the variables. More importantly, all the variables are negatively skewed except for LT. Another crucial method for getting assumptions between variables before they are approached is the correlation matrix. In Table 3 the results for GDP display a strong positive correlation with P, S, T, and LT. Whereas, we observe a weak negative association between the GDP and GV. This implies an increase in primary, secondary, and tertiary school enrollment, as well as labor tax contributions, rises economic growth, and vice versa.

TABLE 3. Matrix of Correlation

	GDP	P	S	T	GV	LT
GDP	1.000000	-	-	-	-	-
P	0.950740	1.000000	-	-	-	-
S	0.976739	0.917103	1.000000	-	-	-
T	0.936254	0.845124	0.976769	1.000000	-	-
GV	-0.045598	-0.019215	-0.124789	-.246236	1.000000	-
LT	0.541957	0.418500	0.641450	0.749405	-0.372406	1.000000
Note: Compiled by authors						

In order to ascertain whether the random walk assumption is present in the long-term fluctuated period information, the ADF and Phillip perron test unit root tests are used. Consequently, in accordance with Table 4, the outcome for both tests reveals that all the variables are stationary at first difference except for P, and S which displayed stationarity both at the level and first difference.

TABLE 4. Unit Root Test

Variables	Augmented dickey fuller test				Decision
	At level		At first difference		
	Constant	Note	Constant	Note	
GDP	-1.853	Not stationary	-3.194***	Stationary	I (1)
P	-3.097***	Stationary	-1.970	Not Stationary	I (0)
S	-2.135	Not stationary	-4.266***	Stationary	I (1)
T	-1.853	Not stationary	-2.904*	Stationary	I (1)
GV	-0.862	Not stationary	-4.259***	Stationary	I (1)
LT	-0.206	Not stationary	-3.740***	Stationary	I (1)
Variables	**Phillip perron test**				**Decision**
	At level		At first difference		
	Constant	Note	Constant	Note	
GDP	-1.904	Not stationary	-3.194***	Stationary	I (1)
P	-4.896***	Stationary	-1.834	Not stationary	I (0)
S	-2.888*	Stationary	-1.000	Not stationary	I (0)
T	-1.569	Not stationary	-3.142***	Stationary	I (1)
GV	-0.975	Not stationary	-4.252***	Stationary	I (1)
LT	-0.382	Not stationary	-4.921***	Stationary	I (1)
Note: *, ** and*** denotes 1%, 5%, and 10% level of significance.					

Hence, we can proceed with the cointegration approach since the panel unit root test results indicate that certain variables are stationary at a level while others are stationary after the first difference and the variables did not reach the second difference.

Table 5 presents the lag length selection for the ARDL model.

TABLE 5. Lag Length Selection

Lag	LogL	LR	FPE	AIC	SC	HQ
0	26.43761	NA	5.22e-09	-2.043761	-1.745042	-1.985448
1	183.7167	204.462	3.40e-14	-14.17167	-12.08063	-13.76347
2	259.1835	52.8268	2.45e-15	-18.11835	-14.23500	-17.36028
Note: Compiled by authors						

The purpose of choosing optimal lag is to reduce the residual correlation since the correlation matrix of table 3 is indicating a high level of association which may cause multicollinearity issue. Based on the results we perceive that the optimal lag for the model is 2.

Figure 1 provides an overview of the different models that can be performed with the ARDL bounds test.

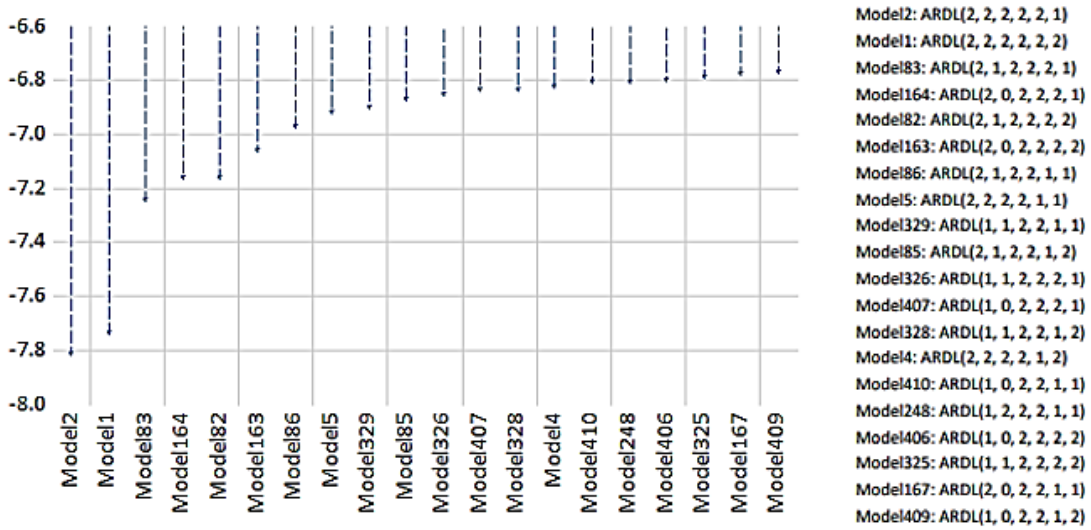

FIGURE 1. Akaike Information Criteria

Note: Compiled by authors

Nevertheless, there is a degree of fitness and reliability for instance model 1 and model 2 display the best results among other models. Based on this figure the study selected model 2 to carry on with the ARDL model.

In order to create an effective analysis, the Autoregressive distributed lag test method will assist us to assesses the short- and long-run elasticities between variables. With that in mind, the ARDL bounds prediction of Table 6 demonstrates that all the models contain factors that are serially correlated and exhibit long-run relationships.

TABLE 6. ARDL Bounds Testing Estimates

Test Statistic	Value	K
F-Statistic	41.06962	5
Critical Value Bounds		
Significance	**I (0) Bound**	**I (1) Bound**
10%	2.08	3
5%	2.39	3.38
2.5%	2.7	3.73

1%	3.06	4.15
Note: Compiled by authors		

Accounting for causality and partial equilibrium correlations seen between variables, the F-statistics is noteworthy for the model at the 1% level with 41.06 value that is underneath the I (1) upper limit. As a result, we will proceed with the error correction and long-run estimation.

Table 7 expresses both the long-run and short-run cointegration for the role of human capital investment in economic growth.

TABLE 7. ARDL Short-run and Long-run estimates

Dependent Variable: ln (GDP)				
Selected Model: ARDL (2, 2, 2, 2, 2, 1)				
Short-run cointegrating Form				
Variables	Coefficients	St. Error	t-Statistics	Prob
ECT	-1.144***	0.186	-6.140	0.009
ΔGDP (-2)	-0.316*	0.123	-2.560	0.083
ΔP (-1)	0.657	1.049	0.630	0.576
ΔP (-2)	1.556	0.917	1.700	0.188
ΔS (-1)	0.015	0.007	2.060	0.131
ΔS (-2)	0.036**	0.008	4.780	0.017
ΔT (-1)	-0.054	0.028	-1.940	0.148
ΔT (-2)	0.094**	0.029	3.280	0.046
ΔGV (-1)	-0.027**	0.007	-3.760	0.033
ΔGV (-2)	0.012	0.005	2.270	0.108
ΔLT (-1)	0.086**	0.020	4.300	0.023
Constant	2.844	1.782	1.600	0.209
Long-run coefficients				
Variables	Coefficients	St. Error	t-Statistics	Prob
P	4.508***	0.651	6.920	0.006
S	-0.029*	0.010	-3.030	0.056
T	0.149***	0.024	6.230	0.008
GV	0.037**	0.006	5.780	0.010
LT	-0.043*	0.015	-2.980	0.059
Constant	2.843	1.781	1.596	0.208
Note: *, ** and*** denotes 1%, 5%, and 10% level of significance				

Additionally, the model shows that the error correction term (called Adjustment) is statistically significant and negative (-1.14). This statement demonstrates the rate at which equilibrium is restored following a shock to the long-run causal relation. Based on the short-run results, we observe that GV is negatively affecting economic growth. This implies that the amount allocated for education is decreasing a 0.027% in the economic growth of Eastern and Southern Africa. On the other hand, an increase of 1% in secondary and tertiary school enrollment and labor tax contribution rises economic growth by 0.036%, 0.09%, and 0.08% respectively. Further, the long-run estimates reveal that a 1% increase in government expenditure in education and primary and tertiary school enrollment increases the economic growth of the region by 0.03%, 4.5%, and 0.14% respectively. Nevertheless, secondary school enrollment and labor tax contribution show unfavorable impacts on the economic growth of Eastern and Southern Africa

during the long run. Based on these outcomes, we perceive that the results differ across the model during the long run and short run.

The Granger causality test uncovers a sequence of associations among factors, resulting in long-term economic remedies. The Granger causality estimates in Table 8 reveal one-way causality between all the educational levels and economic growth.

TABLE 8. Granger Causality Estimation

Variables	F-Statistic	Prob.	Note
P granger cause GDP	3.95**	0.041	One way causality
GDP granger cause P	0.42	0.660	
S granger cause GDP	0.66	0.527	One way causality
GDP granger cause S	7.71***	0.005	
T granger cause GDP	5.02**	0.021	One way causality
GDP granger cause T	2.61	0.105	
GV granger cause GDP	1.97	0.173	No causality
GDP granger cause GV	1.43	0.268	
LT granger cause GDP	0.03	0.962	No causality
GDP granger cause LT	4.60	0.128	
Note: *, ** and*** denotes 1%, 5%, and 10% level of significance			

This suggests primary, secondary, and tertiary school enrollment have a prominent association with the economic growth of Africa Eastern and Southern. Nevertheless, the test uncovered that government expenditure on education and labor tax have no causality with the GDP.

The final problem we discuss has to do with how well our ARDL model fit. A number of stability and diagnostic tests were run for this purpose. Heteroscedasticity, conditional heteroscedasticity, Ramsey's RESET test, and normality are all examined using diagnostic tests. Therefore, in accordance with Table 9, the provided model has no evidence of heteroskedasticity based on the Breusch-Godfrey and Harvey tests.

TABLE 9. Diagnostic results

Heteroskedasticity Test: ARCH			
F-Statistic	0.1440	Prob. F (1,17)	0.7090
Observation × R-squared	0.1596	Prob. Chi-Square (1)	0.6895
Heteroskedasticity Test: Harvey			
F-Statistic	5.5798	Prob. F (16,3)	0.3711
Observation × R-squared	19.34	Prob. Chi-Square (16)	0.2509
Ramsey RESET Test			
Statistics	Value	df	Probability
t-Statistic	0.6239	2	0.5963
F-Statistic	0.3893	(1,2)	0.5963
Jarque–Bera (normality)	1.1847/0.5530	The model is normally distributed	
Note: Compiled by authors			

Also, the Ramsey RESET test's results demonstrate that the proposed model is free of misspecification errors. While the Jarque-Bera for normality confirms the model is normally distributed. Hereby, the ARDL bounds test yield objective and reliable estimates. Additionally, the CUSUM and CUSUMSQ plot demonstrates that the model is stable because the graph is contained inside the 5% level of significance limits. See Figure 2 and Figure 3.

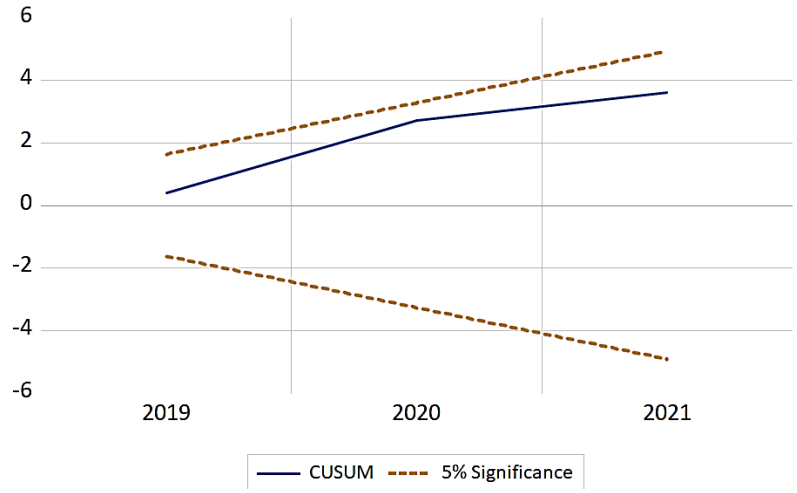

FIGURE 2. Cusum

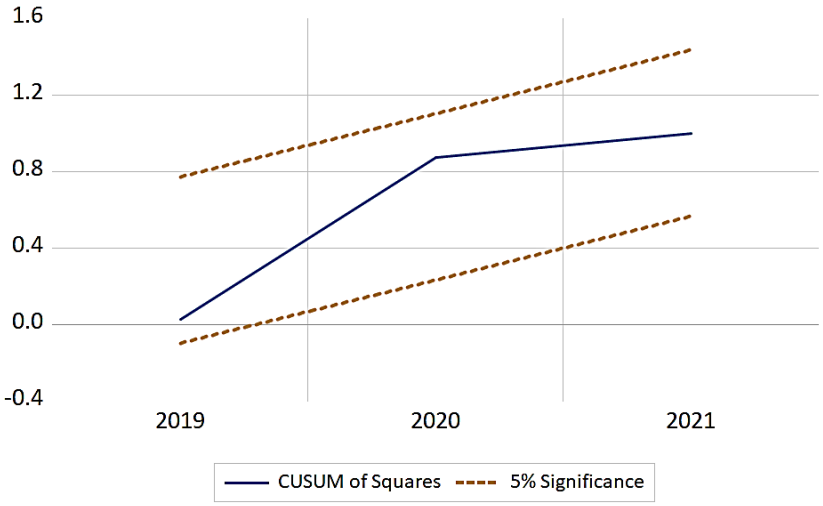

FIGURE 3. CusumQ

Note: Compiled by authors

5. CONCLUSIONS

One of the key building blocks of progress and among the basic rights that all people are entitled to be an investment in human capital. It is seen as being at the center of sustainability. This expenditure is crucial for attaining all three aspects of continuous advancement: economic, social, and environmental since it is connected to a number of primary and secondary benefits for individuals and society. People who are fit and active and who possess direct exposure to high learning are better capable of giving back to their societies because they are more prepared to work, generate, reinvent, deal with disasters, or fix or make adjustments to problems than those who are less productive and did not have direct exposure to high-quality education. They also recognize the need for viable output and consumption habits to solve environmental and climatic concerns, and they are more likely to adopt these patterns. Additionally, they are able to raise

their earnings, which helps them escape the vicious pattern of poverty and raise their quality of life. As a result, investing in human capital has been a top priority for decision-makers worldwide and is also on the list of national spending objectives in industrialized nations.

A variety of advantages or rewards for the individual and society result from spending on human capital. Human gains are a collection of advantages that people get from gaining significant education levels and health, including increased revenue and output levels. The capacity of communities to emphasize investing in human capital to accomplish the high-quality and long-term economic expansion and distribution of wealth, helping to reduce inequality and obtaining the economic, social, and environmental objectives of the long-term development process, is a key factor in determining social returns. Working to develop human capacities is an investment because the rewards of doing so will only become apparent in the future.

Due to shortages of both people and physical resources, nations with relatively low development indices typically fall far behind progress and innovation potential. Africa's human capital shortages are also a result of brain drain, which refers to the emigration of highly trained workers and experts from poor to wealthy nations. Nevertheless, theoretical arguments and empirical data suggest that latecomer nations have a better chance of reaching elevated incidences of innovation development because of their ability to catch up thanks to reduced effective education costs.

Significantly, African nations are currently expanding at the fastest rates in the course of their evolution. The systemic change that would include a large transfer of skilled workforce from the reduced farming sector to sectors with better productivity promise is not there, notwithstanding this strong growth rate. Surges in resource prices and gains from a resource-focused foreign direct investment are major drivers of Africa's prosperity. A disadvantage of efficiency- and cost-seeking FDI is that it offers a limited chance for local capacity creation due to its investment nature. But given the scope of internationalization and the growth of the information economy, Africa could be able to overtake border economies by utilizing key conduits for commerce, capital, and information flows. Nonetheless, the amount of training and advancement that may occur depends on a country's absorptive potential, as measured by its human capital and innovation capacity.

Within this scope, the present paper investigated the potential of human capital investment in achieving economic growth in Eastern and Southern Africa’s region from the period 2000 to 2021. The paper used the region's GDP as an index of economic growth. Additionally, to carry on with the examination Autoregressive Distributed Lag (ARDL) model and Granger causality test are performed to capture the long-run and short-run dynamic relationship among the variables. As well as to determine the direction of these relationships. According to this, the results demonstrated that the amount allocated for education is negatively affecting the economic growth of the region. This implies that government expenditure during the short run is not sufficient enough to generate economic growth. The theory behind this is spending funds on education in the hope of producing skilled human capital is a long-term plan thus the results are indicating a negative value during the short run. Next, reaching secondary and tertiary education levels as well as the labor tax contribution revealed to rise in the economic growth of the region. In terms of education, the results are different from the findings of Badwan (2022). In his study, the author discovered that primary and tertiary education enrollment in Arab countries is negatively influencing economic growth. Whereas, the current study discovered the opposite. The reason behind this divergent outcome may be explained by the fact that the number of people enrolled in schools in Arab countries is higher than the Eastern and Southern African countries. Hence, education cannot be considered a determinant of economic growth in certain countries because they already reached the threshold in comparison to underdeveloped countries such as Africa education is still an important determinant component of measuring economic

development. Notwithstanding, the results are in line with Maneejuk and Yamaka (2021) findings. Their study revealed that secondary and higher education enrollment rates can contribute to the ASEAN-5's economic growth (both at the individual and regional levels).

On the other hand, the long-run estimate displayed that government expenditure in education and primary and tertiary school enrollment increases the economic growth of the region. This support the previous theory that indicates that expenditure on education is a long-term plan. Nevertheless, secondary school enrollment and labor tax contribution show unfavorable impacts on the economic growth of Eastern and Southern Africa during the long run. Further, the Granger causality test establishes a one-way causal relationship between all educational levels and economic growth. This implies a strong correlation between primary, secondary, and tertiary enrolment and the economic development of Eastern and Southern Africa. Nonetheless, the test revealed that there is no clear connection between government spending on education and labor taxation and GDP. These results are in compliance with the Krokeyi and Niyekpemi (2021) paper which investigated the human capital and economic growth in Nigeria. Their findings also indicates that government expenditure on education statistically and significantly affects real GDP.

Policymakers and nations looking to accomplish economic growth can benefit from the study's findings. The research also provides information on the importance of human capital investment in order to achieve sustainable economic growth. It also analyzes the role of educational system and government initiatives in an overlooked region which is Eastern and Southern Africa. As a limitation of the study, the exclusive focus on only the potential of human capital investment in generating economic progress excluded the possibility of investigating the role natural resources and physical capital in proportion to economic. Therefore, it is recommended that enlarging the scope of new research that involves macroeconomic factors and governance indicators that affect economic progress as well as a particular focus on the R&D of Low-income countries needs to be addressed since the current paper only considers African countries.

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Impact of COVID-19 on Fintech Industry of Kazakhstan: New Challenges

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Abstract

The aim of the research is to assess the spread of a new type of finance –Fintech in our country in the financial services sector, the potential impact of Fintech on market players and identify its challenges. Issues related to the impact of the pandemic and Fintech development are widespread worldwide and have significant global significance. Fintech is a potential solution to social, environmental and economic problems in general by transforming financial markets in such a way that they are more efficient, and their impact has increased many times with the onset of the pandemic. The problems of developing the concept of Fintech development in Kazakhstan are being discussed in scientific circles, but it is still at the initial stages. This study is part of our research project aimed at getting a brief idea of what changes and how the functioning of the Fintech industry has changed due to the impact of COVID-19 in Kazakhstan. The research paper describes the sectors of the Fintech industry and what reforms have been carried out so that COVID-19 will help the sector flourish after the pandemic in Kazakhstan. The analysis tool is a statistical study of the financial market. The central result is the identification of current global trends in the development of Fintech in the country during the pandemic. It is based on the general scientific method of systematization of theoretical data, as well as on the method of comparative and statistical analysis.

Keywords: Fintech, Economy, Finance, Financial Services, Astana International Financial Centre, COVID-19

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1. INTRODUCTION

Today, the international economy is at the beginning of its recovery from the impact of Covid-19. Coordinated actions between accounting and innovation caused accelerated progress in finance, venture business, trading and digital money. This is only the tip of the changes taking place in the economies of states. According to Alt and Puschmann (2016), the financial sphere has been developing for centuries: the creation of the first bank in 1472 gave rise to many enterprises, including brokerage firms, insurance companies and real estate agencies.

While financial resources are essential in developing countries, technological capabilities have become far more important in developed countries. This suggests that as firms move into deeper stages of e-business transformation, the critical determinant of e-business value shifts from monetary spending to higher dimensions of organizational capabilities (Zhu et al., 2004).

In recent years, thanks to technological innovations and their integration with finance, Fintech is rapidly changing how traditional financial services are provided, significantly impacting banks' activities. At the same time, Fintech is increasingly impacting the real economy (Luo et al., 2022). As an emerging form of business, Fintech is a significant innovation based on the progress of social science and technology and the development of a financial form of business that will stimulate the modernization of the financial business. Meanwhile, compared to traditional financial services, financial services based on Fintech have greater flexibility, security, efficiency and capabilities (Gomber et al., 2017).

Fintech not only stimulated the majority of researchers' innovation in the financial sector but also changed the format of financial services in industry, trade and agriculture to manage business processes at all levels (Nazarov et al., 2022).

Recently, the rapid growth of Internet-based services has profoundly impacted the traditional financial sector. Now, Fintech companies are expanding their business scope beyond online payment systems into advanced financial services, from money market funds (MMFs) to lending services, online funds, and Internet-based private banking services. Fintech is a portmanteau that combines the words «financial» and «technology» (Shim et al., 2016). As a rule, Fintech refers to innovators in the financial sector who use the availability of the Internet. Such companies have new business models that promise greater flexibility and efficiency. Leveraging the Internet, firms in this industry can operate in more markets and provide more services than before.

The offline industry increasingly integrates with online technologies, with Internet-based technology developing rapidly and dynamically. The financial sector has relied on technology to bring new services to market for some time now. For example, the introduction of the automated teller machine (ATM) in the 1960s changed how customers dealt with their financial assets (Barberis, 2014).

Diemers et al. (2015) suggested that entrepreneurs, government, and financial institutions are the participants in a Fintech ecosystem. Financial services sector, Fintech start-ups offer consumer-oriented banking, insurance, and other financial services (Alt & Puschmann, 2012).

Lending in the field of Fintech (P2P and marketplace lending), provided through technology and without the participation of banks, is a different financing key for both businesses and individuals (Claessens et al., 2018). Buchak et al. (2018) in their work discuss the cursory progress (from 10 to 25%) of a part of online fintech lenders. In a corresponding study, Fuster et al. (2019) revealed that the driving forces of fintech process mortgage loans faster than classical banks, and at the same time, they do not always have a high risk.

The widespread promotion of the word “Fintech”, a temporary structure for denoting financial technologies, was caused by this growth. Fintech is much more than just a reference to innovations related to finance. It is also referred to as a creative invention used to improve methods combined with customer money and create effective response measures for budget

administration that correspond to new mechanical trends that are normal. Banking programming and portable financial applications are excellent examples of progress in monetary creativity. Currently, a structure has been built in Kazakhstan that allows newly minted enterprises to grow significantly into huge organizations. New Fintech firms are promoting progress that was considered difficult to achieve, directly from exploring many unexplored parts to external market sectors. COVID-19 also caused disruptions, affected every sector and disrupted its functioning, and the Fintech industry was no exception. While most Fintech companies are struggling with the upheaval caused by the COVID-19 pandemic, many firms are introducing new methods to solve problems and save their businesses. This has led to a change in payment habits in the context of the pandemic and has opened the way for artificial intelligence to recreate the human touch for interaction regarding payments. While the sector conjures up images of startups and technologies that are developing in the market, ordinary businesses and banks still actively use Fintech services for their purposes.

It should be emphasized that the influence of restrictions that stop the normal life activity of Kazakhstanis has been promoting the purchase of essential products via the Internet since March 2020. Severe isolation due to the increase in the number of deaths and the spread of the virus has led to the closure of retail facilities in almost all areas of the country. Summarizing all of the above, this article raises the main research question: How did Fintech develop under the influence of the COVID-19 pandemic?

The authors of this article assess the spread of new type of finance –Fintech in our country in the financial services sector, the potential impact of the Fintech on market players and identify its challenges. In addition, the authors highlight the Fintech development under Covid-19 impact in Kazakhstan.

2. MATERIALS AND METHODS

This research methodology is based on the laws of dialectical logic, system and situational approaches. The use of a systematic approach allows a comprehensive assessment of the ongoing processes in the analysis of the development of Fintech. The need conditions the situational approach for a timely assessment of the development of the Fintech sector in the Republic of Kazakhstan and the study of new challenges arising in the economy. During the study, preliminary information is collected through desk research, including the collection and analysis of official reports of the Astana International Financial Center, which is the main engine of progress on the part of the state. Conducting a critical analysis of scientific literature on the topic under study involves using of classification and systematization methods, analogies and comparisons. The main methods of cognition used are synthesis, structuring, analysis, expert-analytical and others. The analysis method allows us to study various aspects of the perception of Fintech and its features. In accordance with the purpose, as well as the available initial data, preference is given to the use of qualitative methods, namely methods of expert opinion, which allows processing information, applying the results to develop and adopt correct conclusions. The systematization of the data obtained during the study is carried out based on the method of tables. The graphical method is used to visualize the source data, the results obtained and their interpretation.

The primary purpose of this study is to examine the Fintech sectors in the Republic of Kazakhstan and see growth or decline due to the impact of Covid-19. Based on this goal, we have identified the following tasks in our study:

- Analyze Fintech sectors in Kazakhstan.
- Evaluate and analyze the impact of COVID-19 on the Fintech industry in Kazakhstan.

The structure of the study includes an investigation that was conducted on the basis of a

pandemic study from the beginning of COVID-19 and covers the changes taking place in the Kazakh Fintech Sector to this day in the post-COVID period.

The research paper was developed using secondary data sources from articles on Fintech and other scientific data from the world and Kazakhstan.

In recent years, the abundance of academic research on the impact of the COVID-19 pandemic on various sectors of the economy has increased significantly, especially in the Republic of Kazakhstan. Individual studies are focused on studying the digital environment, digital tools and online platforms. The remaining studies focus on digital skills and digital technologies, including public networks and platform design. Thus, the digital divide is the discrepancy in access to resources, as well as limited possibilities of application and methods of interaction with ICT (information and communication technologies). It is necessary to consider the formation of Fintech.

The main result of the research work is the identification of modern global drivers of Fintech development in the country. While some studies have focused only on species descriptions, other works have focused on how modern technology has evolved. After thoroughly analysing various academic sources, a list of the most valuable for a particular study was compiled. The reports of the National Bank of theRepublic of Kazakhstan (NBK) and the Astana International Financial Centre (AIFC), the international studies of the Big Four companies, have practical meaning, interest and relevance for research. The results of the study can be used in perfect combination with other studies to coordinate or even contrast modern views on the management and economics of green finance. This publication is devoted to key issues. Based on the fact that the data of the AIFC study and government programs, where the impact of Fintech on the economy was clearly reflected, we can talk about a sufficient impact and significant changes in the financial market using Fintech in a pandemic.

3. RESULTS AND DISCUSSION

Technology is changing the landscape of the financial sector, significantly expanding access to financial services. These changes have occurred for several years and affect almost all countries. During the COVID-19 pandemic, technology has created new opportunities for digital financial services to accelerate and expand access to financial services amid social distancing and containment measures. At the same time, the risks that arose before COVID-19, with the development of digital financial services, become even more relevant.

Fintech mainly started in 1990, when the importance of the Internet and e-commerce increased. Due to customer expectations, Fintech companies are forced to provide services that can be implemented in the long term. Fintech companies have launched crowdfunding to maintain direct relationships with customers. Fintech companies also play an essential role in the insurance industry (Insure Tech), which includes everything related to policies, data processing policies, etc. Robo-consulting helps in asset management, which provides recommendations to clients that do not require human control (Fintechweekly, 2020).

According to Matthew Blake, Peter Vanham and Dustin Hughes, this broader concept that uses technology to plan and deliver financial products to customers according to their choice and convenience. Financial companies and old-style startups have started using Fintech technologies. To regulate and protect the interests of clients' investors, they have many SEBI (Securities and Exchange Board of India), Consumer Financial Protection Bureau, Office of the Comptroller of the Currency, Financial Industry Regulatory Authority, Federal Depository Insurance Corporation, etc. (Blake et al., 2016).

In his paper on the evolution of Fintech (Arner et al., 2016). Hong cop presents the genesis of term "Fintech" as a continuous process during which finance and technology have evolved

together. Similarly, this term is considered in the work of Chishti and Barberis (2016). The authors cite several examples of how the collinearity of the development of the financial sector and information technology has led to innovations in the financial services sector at the level of business, government and banking. Such innovations were primarily associated with Internet banking, mobile payments, crowdfunding, peer-to-peer lending, online identification, etc.

According to the World Bank glossary, Fintech is defined as encompassing advances in technology and changes in business models that have the potential to transform the provision of financial services through the development of innovative tools, channels and systems. For this study, Fintech refers to a set of activities (which can be both regulated and unregulated, depending on each jurisdiction) that contribute to the provision of financial services, which are mainly facilitated by organizations that arise outside the traditional financial system (such as the banking industry or capital markets) (World Bank, 2020).

According to the article by authors Doszhan and Sabidullina (Doszhan et al., 2022), the COVID-19 pandemic has significantly impacted countries' economies. On the one hand, quarantine measures and related restrictive measures made it possible to contain the spread of COVID-19, but at the same time, significantly limited economic activity. In this regard, to mitigate the effects of the COVID pandemic and ensure post-crisis recovery, many Governments are reviewing national development plans and strategies.

According to a study conducted jointly by the AIFC team and regional expert partners PwC, Deloitte and KPMG, over the past few years, Fintech has significantly impacted the transformation of the global financial sector. The study identified four of the most promising segments in the region: payments and lending, digital banking and trading platforms. Developing the segments mentioned above in the region depends on creating and effectively functioning in the Fintech ecosystem. This can be achieved by developing technologies and increasing demand for Fintech services and products by taking measures to provide capital to Fintech companies and improving the regulatory framework and personnel reserve. According to this study:

- Kazakhstan creates conditions for direct investments and venture funds;
- Recently emerged local venture capital firms (Aztech ventures, Ventech, BTS, Global Venture Alliance I2BF) and funds, increasing the activity of angel investors (KazAngels);
- Kazakhstan provides access to traditional and innovative ways of financing and raising capital through regulatory support for crowdfunding and ICO;
- Tax incentives for effective capital raising;
- Acceleration/incubation programs;

What is FINTECH in Kazakhstan before Covid-19?

In 2018, the audit company Deloitte conducted a comprehensive independent study on trends in the financial technology (Fintech) market in Russia and Kazakhstan. According to the research, the development of the Fintech market is stimulated by three fundamental factors:

- growing demand — the growing demand for financial services received by both the population and businesses via the Internet or mobile communication;
- the activity of the regulator — the activity of the authorities, as a result of which a single national Fintech space and infrastructure is formed;
- dynamic supply — high sensitivity of Fintech companies to growing demand (regular entry into the market of new products and services).

What is FINTECH in Kazakhstan during COVID-19 period?

The current situation with COVID-19 will likely lead to the beginning of one of the most profound crises in Kazakhstan since the collapse of the USSR because COVID-19 caused a global economic crisis, the scale of which is still difficult to assess fully. In today's market, the most vulnerable industries are small and medium-sized enterprises, retail trade in non-food products,

aviation, oil and gas industry, mining, transport, energy and utilities. Financial organizations have switched their attention to the accelerated creation and development of digital products.

Local customers are actively entering the Internet: statistics from 2014 to 2018:

- the volume of non-cash payments increased by 726%
- the number of Internet transactions increased by 2365%
- the volume of Internet payments increased by 7513% (from 5.3 billion tenge to 405.5 billion tenge)
- the number of transactions in POS terminals increased by 1021%, while volumes increased by only 352% (AIFC 2019).

Figure 1 shows government support as a result of COVID-19 in Kazakhstan and others countries.

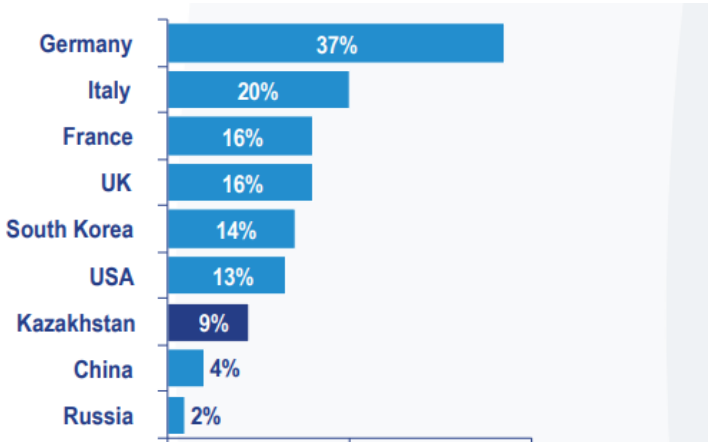

FIGURE 1. Government support as a result of COVID-19 as a share of 2019 GDP

Note: Complied by authors according to the data of KPMG (2020)

What is FINTECH in Kazakhstan during post COVID-19 period?

In recent years, there has been significant progress in the development of the financial technology market, and the COVID-19 pandemic has accelerated this process. Now Kazakhstan is leading in the development of the financial technology market among the countries of Central Asia. Over the past five years, the number of payment cards in circulation has increased by 46.7% to 46.8 million. Thus, every working citizen of Kazakhstan has an average of 5 payment cards.

In addition, with the development of electronic commerce and online lending, non-cash transactions have grown significantly in the country. So, for eleven months of 2020, the volume of non—cash payments has already amounted to 30 trillion tenge - more than 2.5 times more than in 2019. At the same time, 81.5% of non-cash payments were made online. Today, almost all banks in Kazakhstan have remote service systems, and the number of users of online banking services increased by 51.6% over the year to 27 million (a year earlier — 18 million).

Next, Table 1 provides an overview of the fintech sector, strategies and barriers.

TABLE 1. Fintech sector overview, strategies and barriers

Top development strategies	Top barriers
Implementation of new technology	Low appeal for foreign investors
Launch of new products in the market	Low purchasing power of the population

Entry into new markets	Deficiencies of government regulation of the industry
Organic growth	Geopolitical risks
Higher promotion and marketing expenses	Lack of flexibility in the tax system
Cost cutting	Cyber threats
Short-term capital optimization and operating model revision	Currency risks
	Weak protection of the personal data
Note: Compiled by the authors on the basis of AIFC (2020)	

Digitalization directly benefits consumers of financial services associated with increased inclusion, increased access to services, reduced costs and reduced time spent on transactions. The introduction of digital interfaces makes it possible to expand the possibilities of interaction between suppliers and consumers of financial services and increase competition in the financial market.

Thus, the leading fintech industries of Kazakhstan are presented in Figure 2.

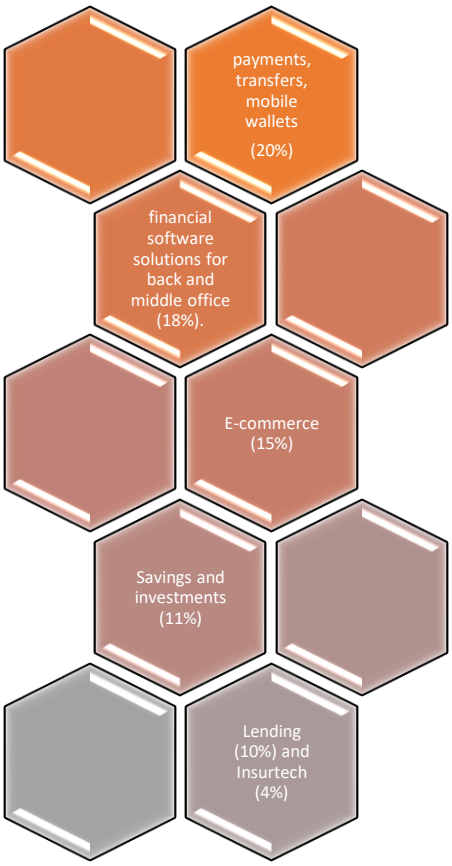

FIGURE 2. Leading sectors in Fintech Kazakhstan

Note: Complied by authors according to the data Tech Hub (2021)

Essential and valuable works used in writing the article were also “Digital Kazakhstan” and the Astana International Financial Center, where the impact of financial technologies on the economy was fully reflected in digital format, due to which there is relatively large impact and changes in the financial sphere. However, the legal status of Fintech services in Kazakhstan's lending field is still uncertain. This situation is risky for companies providing credit services via the Internet since, at any moment, the state can unilaterally change the game's rules. In order to minimize risks, the Kazakhstan FINTECH Association has started a dialogue with the authorized body represented by the National Bank of Kazakhstan in order to cooperate in making appropriate changes to the legislation (Doszhan, 2020).

Groups of incentives from the state in the direction of Fintech ecosystem presents in Figure 3.

FIGURE 3. Fintech ecosystem in Kazakhstan

Note: Complied by authors according to the data from AIFC (2021)

As the Fintech field matures, well-defined tools appear with which Fintech players can achieve success. First of all, it focuses on the client's needs. Thanks to their customer focus, companies can revolutionize the market by making services cheaper, creating new business models and working with (or against) established market players to expand existing solutions. Financial

services are being “reborn” to meet the needs of users who can no longer imagine their lives without the Internet. This is a global trend that will continue.

The adoption rate for the six markets from our first survey – Australia, Canada, Hong Kong, Singapore, the UK and the US – has surged from 16% in 2015 to 31% in 2017, to 60% in 2019. Over five years, these six markets have become excellent case studies in the maturation and globalization of the industry (Doszhan, 2020).

The Fintech landscape in Kazakhstan has changed dramatically with lightning speed over the past couple of years and has become one of the largest Fintech markets in Central Asia. Since COVID-19 seriously disrupts various work processes in various sectors of the country, the Fintech sector continues to be one of the areas in the structure and work of which there is a huge instability due to the significant shift in online technologies caused by the pandemic. Due to the pandemic, many companies have focused on product and process innovation to become more customer-centric and build capacity to overcome major disruptions.

The coronavirus has brought visible adjustments to the development plans of firms worldwide. The measures implemented by the Governments of the countries have led to the selective or absolute closure of companies. Against this background, new opportunities have emerged for companies in the fintech sector. So, according to a report by Tech Nation and Dealroom, Fintech showed reliability during the development of the coronavirus. In 2020, London technology firms accounted for 39% of all venture capital investments. Another study conducted by the consulting firm deVere Group reports that against the background of the pandemic, the population of Europe has become 72% more likely to use Fintech applications. There is a similar picture in Kazakhstan and Central Asia. Thus, in Kazakhstan, financial institutions have stepped up the development of digital services due to the temporary closure of branches of banks and other credit institutions. For example, against the background of quarantine, the service of remote opening of card accounts appeared for the first time. By the end of April, more than 1 million people opened card accounts online, and about 700 thousand received cards with home delivery. The nature of the development of Fintech and the emergence of new services that can be obtained without visiting banks will continue to develop, experts believe. So, the final study "The State of Fintech in Central Asia: how Kazakhstan manages the regional Fintech industry", which was prepared by AIFC professionals, indicates an opportunity to develop mobile and Internet banking. About half of the residents of Central Asian states are still not covered by financial services, but the development of Internet networks can fix this situation. For example, in 2019, Central Asia's average Internet penetration rate was 49%, which already gives banks new opportunities to develop their digital systems. This is especially possible in Kazakhstan, with 79% penetration and Kyrgyzstan, with Uzbekistan, where the figure is about 50%.

Mobile banking will help financial institutions present their services to the populations of rural areas and rural areas without branches. Due to the good indicators of mobile Internet access – more than 60% on average in Central Asia – this is a plausible scenario.

Strategies to Overcome COVID-19 Challenges

Digital financial services can thrive where customers are forced to accept or use online platforms to digitize health risks. Fintech tactics will be at the level where the value of providing such services directly to end users or considering opportunities for cooperation with larger groups of people. Also, for Fintech business models, the transition to non-physical platforms, such as contactless payments, digital connections, credit assessment and payment processing, can be a significant help.

Fintech has digitized historically underserved catering markets. In the current situation, this is important, especially when the government is trying to distribute benefits in the most vulnerable areas, Fintech can explore such places to diversify its business model and services.

At this time, business models that can offer or disseminate information about safe and healthy products may have an advantage over others. Fintech companies can get a hint from the market leaders of food delivery channels, those focused on customer safety reasons to keep users active.

Fintech will need to look at its working methods from the inside while having the opportunity to simplify and digitize the customer experience.

Remote work will require joint investments, data transmission infrastructure and business promotion security. Technology players will find potential buyers to increase internal efficiency. Fintech responds quickly to economic challenges and develops creative consumer goods and services. It was reborn after the global financial crisis of 2008, and provides financial services with the consumption of critical services. It could also expand the portfolio's access to core services, which include lending, wealth management portfolios, or enterprise partnerships.

Strategic recommendations:

1. Asset management

- Considering the obstacles associated with COVID-19, promote more work on home culture and maintain social distance.
- Important decisions should be made after considering every aspect, whether hiring labor or paying them wages
- Implement innovative ideas and train staff to ensure smooth operation and increase productivity.

2. Reassess business models

- The point of view of consumers plays an important role in creating a new business model in accordance with what the new normal culture will look like.
- Strategic planning of launching new products in diversified channels.

5. CONCLUSIONS

Fintech is a trend in the development of socio-economic development around the world. The regulation of the Fintech sector in Kazakhstan, as in most emerging market economies, lags behind developed countries in this regard, such as the countries of the European Union, the United States, and China.

In total , the following points can be distinguished:

1. The current situation with COVID-19 is likely to cause one of the most profound crises in Kazakhstan since the collapse of the USSR since COVID-19 caused a global economic crisis, the scale of which is still difficult to assess fully.

• Participants of such segments and sectors of Kazakhstan's economy as SMEs feel the most vulnerable in the current market environment.

2. Companies in all sectors of the economy (except the telecom sector) have put the implementation of capital-intensive investment projects on pause or are revising towards more "budget" solutions for implementing these projects.

3. The state needs to rethink approaches to ensuring security in the health sector. In addition, the crisis will also significantly change the business landscape and adjust the setting of strategic goals on the part of both the state and the business. The global economic crisis and the decline in consumer opportunities are the main cause of concern for companies in the field of Fintech.

At the same time, awareness of the new challenges of Fintech is growing both at the level of the Government of Kazakhstan and regulatory authorities, as well as at the level of individual companies and financial institutions. The key structure on the Fintech agenda of Kazakhstan is the AIFC, and enjoys huge state support. Summing up, in order to stimulate the development of “green” financing in Kazakhstan, in our opinion, it is necessary to implement a set of measures:

1. Development of the regulatory framework governing the introduction of Fintech financing;

2. Further study of the best practices of leading countries on introducing Fintech tools in the economy of the USA and Singapore.

3. State stimulation of small and medium-sized businesses within the framework of Fintech.

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Digital Technologies in the Transport and Logistics Industry: Barriers and Implementation Problems

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Abstract

This article is devoted to identifying the positive and negative sides and difficulties in transport and logistics companies during digital technologies implementation in their activities Developing a digital ecosystem in logistics and distribution of goods is becoming the key to efficient transport operations. Digitalization increases the efficiency of the main processes of transport and logistics services, improves the accuracy of planning and forecasting, and processes incoming requests for goods delivered at high speed. This study used a qualitative research method, and interviews were conducted with experts in the transport and logistics field. The data was coded according to the following indicators: the digital mode, barriers and challenges for implementing digital systems in logistics, benefits of using digital technologies. The MAXQDA software was used to analyze the interviews. It was revealed that the lack of qualified personnel, lack of funding and external factors (political situation, business environment, government support, etc.) have a significant negative impact. Additionally, digital technologies used by some foreign and local organizations are determined. Additionally, statistical data on strategic planning and reforms of the Republic of Kazakhstan 2016-2021 were used. The study results can be used by logistics companies and companies involved in cargo transportation and state bodies, the Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan, to further develop the digitalization process in the country.

Keywords: Digitalization, Logistics, Digital Technologies, Innovations, Strategy, Cargo Transportation, Economics, Transport, Transportation Economics

SCSTI: 73.31.75
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1. INTRODUCTION

In the 21st century, businesses mostly rely on digitalization. Especially if it relates to international communication and strives for the status of the client-oriented industry, it is essential to explore how IT has changed the sphere of cargo transportation and what principles help move the industry forward using the example of Kazakhstan.

The Kazakhstani sphere of cargo transportation begins an active transformation. Companies need to reduce logistics costs and ensure fast and uninterrupted delivery. In addition, almost all modern cargo transportation is based on IT and the widespread digitalization of processes, from communication with the client to the direct implementation of orders.

Logistics is one of the most conservative sectors of the Republic of Kazakhstan, and the level of digitalization here is significantly lower than, for example, in retail or banking. However, looking back at the experience of other countries, business is beginning to experiment cautiously with IT technologies. So far, projects are limited to the automation of individual processes. However, the fact that implemented cases appear on the market and there are more of them is a positive signal. For example, Kazpost JSC is piloting an ecosystem of digital services, allowing the future to digitize all the company's services, from parcel delivery to payment acceptance. Digitalization departments appear in large logistics companies. There are startups developing solutions for logistics.

According to the Global Market Vision, the global digital logistics market will grow by 10.3% annually until 2028. In order to come to digital logistics, it is necessary to unite all participants in one place, i.e. a platform is needed, in other words, a single digital platform. What many developed countries are striving for. In order to come to digital logistics, we need to start with basic things, such as electronic document management, robotization of business processes, organization of transport monitoring and the use of digital services.

Today, essential digitalization tools are already being used in Kazakhstan, and the following trends have been outlined that affect the sphere of cargo transportation in Kazakhstan in five directions.

Transitioning to electronic document management requires the practical introduction of digital tools, and preparations must be made in advance to implement a digital ecosystem. Therefore, it is necessary to follow several steps to carry out basic automation. The introduction of electronic document management (EDM) is among the essential steps towards automation, which also reduces the cost of printing and sending documents and the time for their creation and processing by 1.5 times. This changes the document exchange and delivery structure and speeds up the delivery and payment process for carrier services.

According to the level of e-government development UN rating, Kazakhstan is in 29th place, allowing a transition towards paperless interaction with the state. This active transition to electronic document management involves all industries, including logistics (Ghosh, 2015).

The next is the automation of the working process, which excludes manual work of data entering, for example, reports or notifications generation. It reduces labor costs or expenses on logistics and functions as another solution on the market to perform human actions that can be algorithmized automatically. It is expected that by 2027 automation system segment of the global IT market will be increasing annually by 40% (e.g. artificial intelligence, platforms that do not require writing code to create IT solutions etc.)

Monitoring the delivery process makes logistics chains more complex by setting the requirements of counterparties to the speed and quality of delivery, making it more challenging. The transportation process must be uninterrupted. Human factors often cause delays. Consequently, companies with a fleet of vehicles are beginning to implement vehicle-monitoring systems using GPS trackers. Internet of things technologies is one of the essential tools for the digitalization of logistics in the world. They allow to build of optimal routes and monitor cargo

movement in real time.

Among the key factors of sustainable economic development of the state, an important role is played by an established system of physical distribution of inventory items between suppliers and consumers. Apart from that, digitalization increases the efficiency of the main processes of transport and logistics services, improving the accuracy of planning and forecasting and processing incoming requests for the delivery of goods with high speed. Moreover, it allows the selection of the most appropriate type of vehicle concerning the characteristics of the goods, analyzing and determining rational transportation routes, etc.

The work of Moldabekova et al. (2020) showed that interest in the study of digitalization in the field of logistics began in 2018. In the works of some scientists, a conceptual justification for the use of modern technologies in the development of logistics is carried out, where they explored the theoretical basis for the application of innovation in logistics (Barreto, 2017; Hofmann, 2017; Asdecker, 2018). Others studied the formation and development of Logistics 4.0 (Schmidtke et al., 2018; Oleskow-szlapka, 2018). There have also been studies aimed at studying the impact of digital technologies on improving the efficiency of logistics operations and services (Revindran, 2020; Sun et al.,2020; Gölzer,2017). In addition, different research methods were used, such as regression analysis based on panel data (Liu et al., 2018), different indicators were considered. The issue of digitalization in the transport and logistics industry is certainly important, so there is a need to consider expert opinion for the further development of this industry, identifying and overcoming the problems and barriers faced by companies and the state. Today, the development of e-commerce in road freight transportation is of particular importance. This process is based on the fact that there is an optimization of information transmission through electronic mechanisms. The development of a digital ecosystem in the logistics and distribution of goods is becoming the key to efficient transport operations. Therefore, it is important to study the impact of digital ecosystems of transport and logistics services on the management of road freight transport. There is an extreme need to expand the potential of logistics as part of the process of developing modern digital ecosystems of transport and logistics services. Therefore, the current study is aimed at what transporting and logistics companies face during the introduction of digital technologies in their activities. The question of the study is what are the difficulties, negative and positive aspects of the introduction of digital technologies in transport and logistics companies. This study attempts to answer this question through an expert interview.

2. LITERATURE REVIEW

In order to understand the process of digitalization, three terms were developed: digitization, digitalization and digital transformation. According to Unruh, et al (2016), the process begins with digitization - the transfer of products to digital form and the emergence of inventions. Thus, representatives of the music and financial industries were the first to digitize products (Unruh et al., 2016)

Distributed ledger systems, better known as blockchains, are decentralized digital databases (DBs) that record every data transfer on their network. When connected to the network, each participant's computer becomes its node and works with its copy of the database, synchronizing it. Every transaction is confirmed by all users, eliminating the need for a third-party approver (Konstantinidis et al. 2018).

Deeveloping a “digital twin” creates the possibility of developing, testing, manufacturing and using a product in a virtual environment (Grieves et al., 2017). This includes simulating various processes that occur with the product. Some scientists define this technology as an integrated multi-physics, multi-scale probabilistic simulation of a finished product, system or process that can reflect the life of its “twin” using physical models, historical data, real-time data, and more (Glaessgen et al., 2012).

NASA was the first to talk about the problem of big data processing in 1997 when scientists faced the difficulty of managing large amounts of information (Aryal et al., 2018). However, a well-established term that defines "big data" meaning has not yet emerged, which is why interpretations vary. Despite the lack of a single term, one of the first analysts to talk about big data, Laney (2001), identified three dimensions characteristic of big data: volume, speed and variety. Volume refers to the increase in indicators collected from sources. Speed means minimizing the time interval between information collection and its entry into processing. Diversity implies differences in data formats, interpretations, and lack of structure (Laney, 2001). Thus, "big data" does not mean technology but a particular data characteristic. Big data technologies refer to the methods of their collection, storage and analysis (Watson, 2014).

There are a vast number of applications of big data analytics both in business and in other areas of activity. Three areas can be distinguished in business. First, operational efficiency: with the help of big data processing, it is possible to increase the level of transparency, quality and efficiency of processes and optimize the use of resources. Secondly, improving customer experience: processing big data increases customer loyalty, more clearly segments consumers and improves their interaction quality. Third, big data opens opportunities to change business models, increasing revenue streams and creating new ones (Gosh, 2015).

Within supply chain management, potential applications include supplier risk management, demand forecasting, logistics activity planning, transport and inventory management, and return logistics. The following possible effects from the introduction of big data analytics are distinguished: an increase in chain transparency, an increase in operational efficiency and productivity, an increase in elasticity, flexibility and responsiveness, sustainability and innovative potential of the supply chain (Tiwari et al., 2018; Nguyen et al., 2018).

Discussions about this technology have been going on for a long time, and the essence is clear from the name. In its simplest form, it is one or more means of moving people or goods, operating on the basis of the readings of various sensors. Despite the general essence, these mechanisms are called differently depending on the purpose. For example, the automated guided vehicle usually refers to the means used in production (Dotoli et al., 2004), although in some works, warehouses are also added (deKoster 2018).

This group includes developments that automate the management of handling equipment, trucks and other means of movement that play a vital role in the logistics business. A study by Moldabekova et al. (2021) showed that the digital transformation of logistics services is just beginning. In this regard, it is difficult to assess the aspects of the impact of modern technology on the development of transport and logistics in Kazakhstan, identified on the basis of the analysis of scientific literature. Transport and warehousing companies should invest more heavily in digitalization.

Satybaldin et al. (2022) conducted a cluster analysis of the transport and logistics potential of the regions of Kazakhstan on 11 indicators. An analysis of the transport and logistics potential of the regions in terms of transport infrastructure showed that Almaty, Karaganda, Aktobe, Akmola regions, and Almaty have good indicators; according to logistical indicators: Karaganda, Atyrau, Pavlodar, East Kazakhstan regions, Almaty city; by economic indicators: Atyrau, Almaty, Turkestan regions, Almaty city. Karaganda, East Kazakhstan, Almaty, Atyrau regions and the city of Almaty are leading in the ranking of the transport and logistics potential. In addition, the transport and logistics infrastructure of the regions of Kazakhstan requires comprehensive modernization.

Summing up the literature review results, logistics companies are actively implementing the five areas: the internet of things, cloud technologies, artificial intelligence, automated systems and information security.

Internet of things controls, analyzes and optimizes processes at all stages of the supply chain

and the effectiveness of operations. Cloud technologies scale the entire infrastructure and services without a fundamental resource increase. Artificial intelligence optimizes internal processes and helps build new models of customer interaction. Also, with the help of data analysis technologies and Big Data, artificial intelligence quickly analyzes and predicts many indicators based on a large amount of data. Automated systems allow employees to unload routine operations and accounting information and increase the efficiency and motivation of manual labor in the office. For many operations, it is possible to introduce physical robots in warehouses. The development of unmanned vehicles or delivery by drones can also be called promising. Information security is one of the main directions. The high level of automation and digitalization in the company requires special attention to the stability of the service and the safety of company and customer data. All these technologies are used at every stage of the logistics process, in warehouse management systems, in the process of goods movement, for monitoring and tracking shipments.

3. METHODOLOGY

Conducted literature review showed that digital ecosystem introduction in logistics is undergoing significant changes. Different stages of digitalization implementation provide different obstacles and advantages. Therefore, it is essential to explore Kazakhstan's current situation and analyze it. Statistical data analysis on the logistics digitalization process in Kazakhstan will be conducted. Data will be collected from open sources.

The second part of the research includes semi-structured expert interviews. A semi-structured one-on-one interview is a type of individual in-depth interview. This is a semi-structured interview to know an individual's opinion about a particular situation. Eight interviews were conducted, and the and the interview duration was from 20 minutes to 1 hour. The qualitative research method will include interviews or questionnaires among logistics company management staff. The interview/questionnaire will be developed based on the studied works of foreign and local scientists Malhene (2012) and Kraoyci (2018). There were five main questions, but during the interview they were supplemented by other questions. The questionnaire focused on analyzing logistics' digitalization characteristics and covered three main directions: digital mode of the infrastructure of logistics ecosystems, barriers and challenges to implementing digital systems in logistics, and the advantage of digital technologies usage. MAXQDA software for qualitative research analysis will be used for the interview analysis.

Following the ethical issues, individual interviews were conducted as experts might share private information about their companies' management systems. The experts were informed that they could stop the interview if they felt uncomfortable or missed questions they accepted as unappropriated. During the interview, there were made notes which were later processed with MAXQDA software.

The interview results will be analyzed in four main digital logistics ecosystem development directions: automated control, digitalization impact, digitalization barriers and current logistic disadvantages (Figure 1).

The automated control will be analyzed in two directions. First, there will be an analysis of the digital technologies application advantage. Second, there will be analyzed the utility of various software applied in the system of management.

Digitalization impact is focused on analyzing the advantages of logistic ecosystem digitalization, mainly in management, interaction, and optimization processes.

Digitalization barriers and disadvantages will include issues the digitalization of the logistics ecosystem is facing.

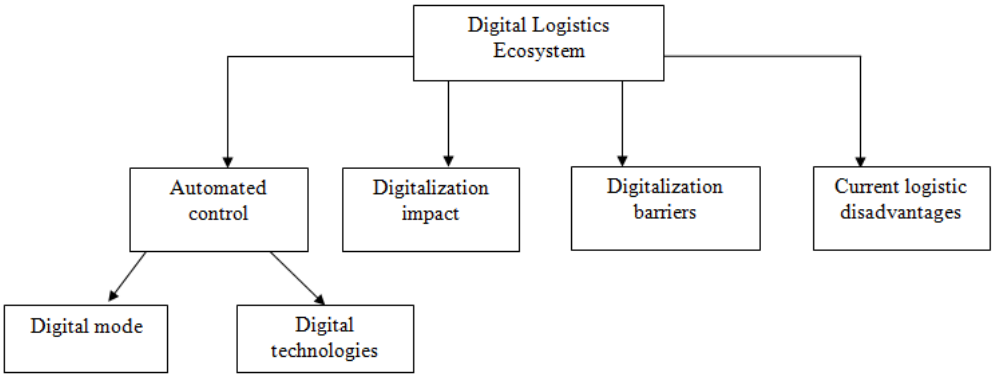

FIGURE 1. Digital logistics ecosystem in Kazakhstan

Note: compiled by the authors

4. FINDINGS AND DISCUSSION

The growing adoption of the internet of things (IoT) and artificial intelligence (AI) in the automotive logistics sector is expected to drive market growth. Benefits associated with automation in the logistics sector, such as increased accuracy and reduced errors in product handling, real-time freight rates, accurate real-time freight data analysis, improved customer experience, growth in retail, e-commerce, and healthcare, as well as growth in investment and product launches in the logistics automation sector. Further, demand in the logistics automation market is expected to increase during the forecast period. For example, Swan Leap Inc. offers a transportation management system that uses artificial intelligence to provide real-time visibility into the supply chain to optimize the entire logistics process.

However, the high initial cost of hardware and software components used in logistics automation is expected to hold back the growth of the global logistics automation market during the forecast period.

In figure 2, there is presented data on the logistic automation market.

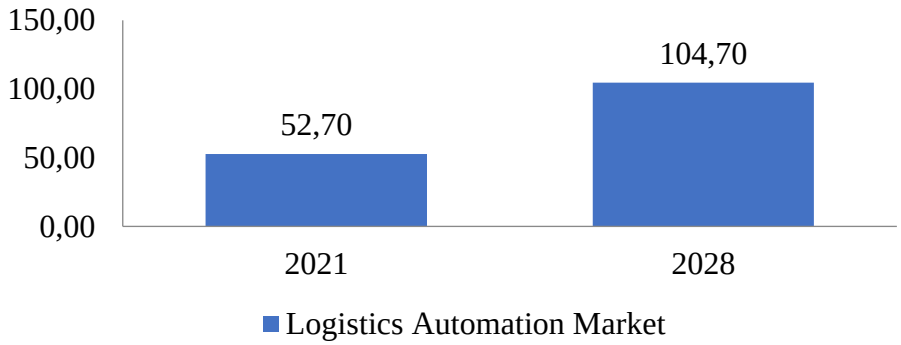

FIGURE 2. Logistic automation market, billion USD

Note: compiled according to source Research and market (2022)

According to Global Market Vision forecasts, the global digital logistics market will grow by 10.3% annually until 2028 amounting to $104.7 billion. (Fig.2). This suggests that the market is overgrowing. As a result of the process of digitalization of logistics, all participants in this industry will unite in the transition to a single digital platform. Digital logistics involves the unification of market participants within the framework of end-to-end.

Figure 3 presented information on cargo transportation by all modes of transport in Kazakhstan

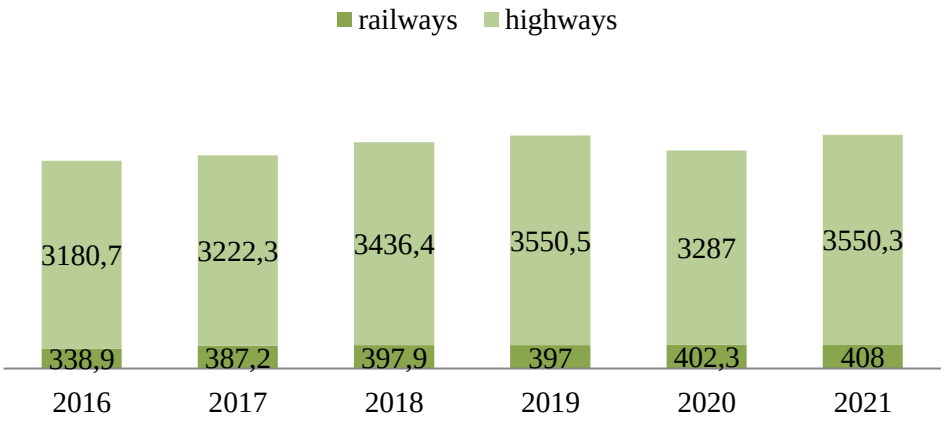

FIGURE 3. Cargo transportation by all modes of transport in Kazakhstan, million tons

Note: compiled according to source Bureau of National Statistics (2022)

The volume of cargo transportation in Kazakhstan is growing yearly; according to the results of 2021, freight transportation by all modes of transport (excluding pipelines) amounted to 4.2 billion tons. The average growth rate over the past five years was 1.4% CAGR despite the pandemic, supported by the development of e-commerce and the country's transit potential. Revenues from transportation by all modes of transport (excluding pipelines) in the Republic of Kazakhstan at the end of 2020 amounted to 1.4 trillion. KZT, of which 1.1 trillion (78%) was received through the transportation of goods.

Regarding the structure of domestic transportation of goods by mode of transport, the lion's share (83%) is accounted for by road transport, also due to the rapid development of online commerce and delivery services and the growth in demand for 3PL services. Next, digital tools used by large companies in the transport and logistics industry in the world and Kazakhstan will be considered (Table 1).

TABLE 1. Used digital tools in foreign and domestic companies

No.	Company name	Digital tools
1	Amazon	Amazon Logistics Amazon is also steadily improving the quality of the service it provides to its customers and moving to pickup to speed up delivery. In 2016, the company leased 20 Boeings to ensure uninterrupted supplies. Amazon is also at the forefront of introducing new automation technologies: in warehouses, in delivery, and in customer service.

		Amazon Drones Using mobile aerial drones to deliver goods to customers. Amazon has patented building lantern-mounted drone docking stations and is lobbying to allow drone delivery outside of the US.
		Amazon Robotics Robotic systems - loaders Kiva, which fully automated the process of storage, picking and packaging in warehouses. With their help, operating expenses were reduced by 20%, which in monetary terms is $ 22 million per warehouse.
2	Honeywell Intelligrated	Intelligrated Integrator of mobile and stationary robotic solutions and systems for production, warehousing, material handling and automated storage and retrieval. The company has a large IP portfolio in warehouse automation, order fulfilment and software solutions.
3	FedEx	FedEx Sensaware A business area of sensory logistics, which is a service for monitoring the supply chain in real time - not only from the point of departure to the point of destination, but in constant monitoring mode. That is, even before the parcel leaves the place of departure, it is possible to find out whether it is kept in the correct temperature regime, whether the required marking is affixed to the package.
4	DHL	DHL Smart Sensor DHL equips containers with a Smart Sensor device that uses ultra-high frequency RFID tags and built-in temperature sensors. This will allow the company's customers to track the temperature regimes of transportation and receive a warning signal in case of their violation. The SmartSensor tag is read at several points: at the station of origin, at the moment when the object leaves the station and when it leaves this station for delivery to the appropriate address.
5	DB Schenker	Drive4Schenker An online platform for carriers called Drive for Schenker (Drive4Schenker).
6	Delta Cargo	Delta Cargo Online Online booking platform for air travel.
		System of electronic contracts and exchange of electronic documents. 77% of all paperwork is done online.
7	CB Robinson	CB Robinson Freightquote The platform for instant calculation of shipping rates and cargo transportation
		E-commerce The platform aggregates delivery services, instantly calculates the cost and helps to quickly order delivery.
8	Kuehne+Nagel a leading player in sea and air transportation	KN FreightNet Platform for online booking of cargo transportation for the delivery of groupage cargo (transportation of cargo of several customers by one aircraft / car in one direction).
9	Global Ports	Global Ports,

		Electronic coordination of applications for a pass to the border control zone.
10	JSC “NC KTZ”	Information Systems AMS CCW, SC IPRB, AS"Payment system" - systems for paperless workflow. Eliminates numerous approvals, unproductive losses, increases the efficiency and effectiveness of the work of railway workers in servicing consignors and recipients of goods.
11	JSC "Kazpost"	post.kz A mobile application that allows you to track parcels by track number, use e-mail with the @post.kz domain, pay for mobile operators, pay utility bills, save templates for quick payments and book a queue at Kazpost branches.
		GoPost Home The ability to order the delivery of parcels and small packages from the supermarket to your home without leaving your home.
Note: compiled by the authors		

The digital tools used in the logistics of cargo transportation were considered and studied on the examples of large international companies such as Amazon, Honeywell, DHL, DB Schenker, Delta Cargo, Kuehne + Nagel and others. In the table 1, there are given national and foreign companies operating in Kazakhstan. From Table 1 it follows that digitalization in the field of logistics and cargo transportation gives many positive aspects, such as:

- reducing the cost of maintaining transport equipment;
- improving the accuracy of planning;
- increased cost control;
- compliance with storage conditions, facilitating settlements;
- supply chain transparency;
- reduced costs and production cycle;
- reducing waste, improving the quality of planning, reducing time losses;
- increase warehouse productivity
- reducing the need for human staff by an order of magnitude;
- reduced labour and maintenance costs.

In order to provide a deep analysis of logistics digital ecosystem development, an expert interview was conducted among four logistics experts following the offered scheme of the digital logistics ecosystem. Kazakhstan's logistics ecosystem was undergoing digitalization, including automated control subdivided into digital mode and digital technologies applications. Digital more is the process of digital logistics functioning, while digital technologies are the application of digital tools and software. The process of digitalization also has an impact on the evolution of delivery processes. Any system introduction goes through failures and faces barriers and obstacles in development, which is included in the analysis.

The table 2 provides the list of codes on digital mode of logistic ecosystem development.

TABLE 2. Digital logistics ecosystem development: digital mode and digital technologies

No.	Code	Comments
1	Distributing and routing deliveries and returns	Receiving and processing orders
2	Access to information	see current balance get necessary information final results of the work
3	Digital documentation	Digital documentation

4	Interaction with customers and carriers	reduce the time of interaction with carriers by 35%
5	Ware houses interaction	optimized the time of interaction between the warehouse and transport divisions by 4%, and the cost of transportation decreased by 2%
6	Management systems	warehouse management, transport management and delivery management subsystems
7	Payment system digitalization	online payment, access to information, automated waybill
8	Process optimization	optimizes the costs of warehouse processing
9	Big data tools	they allow interpreting information in various sections for the rational use of resources and risk management
10	Transparency	transparency of operations is increased
11	Equipment downtime is minimized	Equipment downtime is minimized
12	Data security	ensure the availability and the proper level of security when working with data
13	Focus on manual service	save time and focus on those tasks that are not yet automated or cannot be fully automated
14	Errors identification	imperfect interaction of multiple IT systems, our company was underperforming for a long time
Note: compiled by the authors		

Digital mode of system control gives advantages in several ways easing the working process. First of all, it has a significant impact on the supply chain. It has shaped the process and monitoring of distributing and routing deliveries and returns, as well as order management. At the same time, the digital mode allows the provision of digital reporting and exchange of documentation which saves time and provides access to necessary information. Tracking a company's current balance has become easier because the digitalization process also aims to optimize in various directions. For instance, payment systems and management of the warehouse. The financial part is optimized, and the interaction process is also. Interaction between customers, employers, and departments saves time and reduces costs for such categories as transportation and order processing.

The process of digitalization is only possible with digital technologies and tools. For instance, using a digital tool as big data provides access to information, allows rational use and distribution of resources, and improves security. Digital tools ensure the transparency of all processes, especially financial operations. Automated processing allows focusing companies on actions or services that are difficult to transform into digital modes, such as equipment maintenance.

According to the expert interview, companies usually develop or modify the software to the needs and requirements of companies. This transition process to digital mode helps to identify existing errors or, in some cases, predict errors.

The impact of digital ecosystem development in logistics has dramatically impacted the transformation of the working process, which is reflected in the optimization of costs reducing expenses of a company and thus reducing expenses for clients. Digitalization helps to reduce the human factor, and companies reduce costs on personnel. Orders processing has improved as well as procedures for working with clients have been improved as well. Consequently, the productivity of a company is increasing in line as well. The digital mode provides transparency as access to information works both for personnel and clients.

Table 3 provides the list of codes on automated control of logistic ecosystem development.

TABLE 3. Digital logistics ecosystem: automated control and automated system

No.	Code	Sub-codes	Comments
1	Transportation control center	Customized delivery parametrs	ability for the recipient to change the delivery parameters on their own without involving customer service employees
		delivery monitoring, control, loading/unloading	delivery monitoring, control, loading/unloading
2	GPS tracker	GPS tracker	analyze the driving style of the driver and the condition of the vehicles. Based on the analysis, recommendations are formed for safer and more economical movement
3	Sunrise BPMS platform	Sunrise BPMS platform	the platform is able to work under high loads, supporting the simultaneous work of more than 2 thousand users, which allowed the group of companies to implement several projects
4	Mobile application	Customized orders management	management by phone number simplifies interaction
		Carries tasks receiving	drivers receive tasks and mark them
5	CRM	CRM	customer relationship management makes it easier for the commercial department to interact with customers - everything is stored in a single database, it is possible to track customer interests and create relevant marketing campaigns
Note: compiled by the authors			

Automated control is a sufficient component of digital ecosystem development in logistics. Automated infrastructure ensures the automated processing of almost all aspects of transportation. The delivery process, which is controlling, monitoring and management, overall, has become flexible and allows customers self-management of parameters not involving the staff. This is especially important at critical situations when quick decisions or payments monitoring must be made etc.

Such improvements in logistics are achieved through the introduction of various automated systems. It must be mentioned that companies develop their own or adapt existing software to transition to digital mode. This is because large organizations have much information to process and store. Such programs allow the development of a total characteristic of drivers' service provision as driving the style or vehicle condition.

However, experts underline that customers-oriented industries prefer mobile applications as it eliminates other supply chain interactions between customers and employees. Moreover, mobile applications make the process flexible for customers and drivers and provide access to information.

Table 4 provides the list of codes on current disadvantages and barriers of logistic ecosystem development.

TABLE 4. Digital logistics ecosystem: logistics digitalization barriers and disadvantages.

No.	Code	Comments
1	Transparency	Fear of transparency for small businesses
2	Insufficient funding	Insufficient funding for automation of logistics within the company
3	Resistance to innovation among employees	Sabotage the use of mobile applications and suggested routes
4	Low level of automation	Low level of automation
5	Financial stability	Financial stability in order to be able to purchase this or that solution or equipment
6	Need in third party solutions	Highlights the need to integrate and further support third-party solutions on their own IT infrastructure, which requires certain competencies from the company and the availability of time and human resources
7	Political situation	Political conjuncture greatly affects the availability of a resource base for automation
8	Availability of technology, equipment shortage	Digitalization of logistics is hindered by the same factors as those of large companies in retail, distribution, and industry. In the current realities, more factors of a possible shortage of equipment will probably be added
9	Business environment	Constantly adjusting to the realities of the market, forming new products, and, as a result, the need for digitalization
10	Government regulation	Government regulation
11	Human capital	Lack of qualified employees
12	Price increase for maintenance service	Prices of spare parts for vehicles have increased by 15-100%
13	Maintenance and transportation costs increase	Cost of maintenance of equipment by 60%
Note: compiled by the authors		

Despite optimising costs and working processes, digitalization of the logistics ecosystem has one major disadvantage - expensive maintenance of the equipment and vehicles and transportation costs. Moreover, experts state that this is significantly related to small organizations. In addition, the majority of organizations need more financing for technology implementation.

As for internal factors, experts highlight technology availability as one of the crucial factors. Next, the human factor also plays a significant role, as there need to be more specialists in the information and technology field. Moreover, some employees need more skills to be ready for innovations.

Experts recommend attracting third-party organizations that contribute to a company's transition to digital mode. In the process of road transport, there are involved: the consignor (customer and owner of the cargo), the forwarder (responsible for organizing the process) and the contractor (carrier). However, intermediaries are sometimes built into this scheme - companies with no fleet. However, they participate in the auction and transfer the received orders to real

carriers, laying their percentage in the cost. In an environment where it is critically important for businesses to reduce logistics costs, companies strive to make selecting a contractor transparent.

The peculiarities of third-parties involvement diggers from industry to industry. For example, in healthcare, telemedicine implementation also attracts third parties. They provide personnel training, technical support and implementation of suitable software based on the business environment.

External factors initially act as barriers as they set requirements, restrictions or limitations. For instance, political situations disturb the international supply chain process or resource availability. A low level of automation among organizations limits the possibility of cooperation or services widening.

5. CONCLUSIONS

The studies identified the positive and negative sides and the difficulties logistics and transport companies face while implementing digital technologies. Automated control is a sufficient component of the development of a digital ecosystem in logistics. Automated infrastructure provides automated processing of almost all aspects of transportation. Problems and barriers in the digitalization of the logistics industry are the need for qualified employees, government regulation, the availability of technology and the business environment.

The need for more specialists has a crucial impact on implementing the digital ecosystem in logistics. First, the results showed that insufficient funding is one of the main reasons for the low application of digital platforms or online programs. This is caused by the fact that business owners need more time to be ready for digital transformation and are not ready to invest in information technologies. Low qualifications or lack of skills among specialists result in their resistance to innovations and the use of digital technologies.

The analysis of automated systems showed that most logistics companies, being customer-oriented industries, mainly focus on managing employees' interaction with clients. They dismiss the digitalization of the system of companies functioning, which includes document exchange, easy access to information, staff management, working process management, etc. Therefore, their process of transition to digital mode takes time to complete.

One of the solutions offered by the experts involved third-party organizations, usually in charge of several actions. They are program adaptation to the business environment, personnel training and the digital development infrastructure of the company. This way of digitalization implementation has been used in telemedicine. They develop the automated system of an organization's functioning, starting from the number of employees needed for company functioning to the development of the work timetable for the whole organization.

The main limitation of this study was the need for more access to information on the productivity of automated systems implementation in a logistics company. Future studies may conduct case study research and provide questionnaires among employees to analyze the impact of digitalization on a company’s productivity.

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Financial Inclusion and Women-Led Small and Medium Enterprises (SMEs) Performance during Covid-19 in Chipadze, Bindura Town

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Abstract

Covid-19 containment measures disrupted the three financial inclusion dimensions of access, usage and quality, which affected women-led small and medium enterprises (SMEs) performance in many economies with no exception to Zimbabwe. However, the growth of small businesses depends mainly on the quality and accessibility of finance. This study examines the impact of financial inclusion on women-led SMEs performance in Bindura, Zimbabwe's one of the mining towns during the Covid-19 era. A sample of 70 women-led businesses was selected, and data were analysed using a simple multivariate regression model. The results show a relatively low level of financial inclusion of women entrepreneurs in Bindura, having active formal bank accounts reflected by a percentage of 62.9. The study found that financial services were difficult to access, expensive and of poor quality during the Covid-19 era. Nonetheless, the study revealed significant positive effects between financial inclusion dimensions (accessibility, usage and quality) and entrepreneurial performance. Despite Covid-19 disruptions that made financial services challenging to access and of poor quality, financial inclusion was instrumental in enabling positive business performance. It is recommended that measures aimed at increasing the inclusivity of women-led businesses be fostered. These measures should be designed in a way that they make the services accessible and of good quality during the pandemic periods.

Keywords: Financial Inclusion, Women-Led, Entrepreneurship, Business Performance, Covid-19

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1. INTRODUCTION

Financial inclusion is considered a significant issue in most developing countries as most marginalized populations, especially women, lack access to essential financial services such as insurance and bank credit (Gumbo et al., 2021; Omar & Inaba, 2020; Sakarombe, 2018). Over 90% of Small to Medium Enterprises (SMEs) across sub-Saharan Africa suffered harsh economic impacts due to the COVID-19 pandemic. Women-led SMEs have been especially hard hit, with many reporting revenue losses of over 50%, largely due to their smaller size, informality, and concentration in heavily affected sectors. Women-led SMEs entered the pandemic with lower financial inclusion rates than male-led SMEs, which exacerbated these trends. Among the 13% of SMEs that accessed financial support during the crisis, fewer were women-led SMEs.

Globally, financial inclusion plays a key role in addressing gender inequalities (United Nations, 2015). Information from the World Bank (2020) shows a perennial gender gap in the formal financial system where 72% of men have access to bank accounts, whilst only 35% of women have access to such accounts. This indicates that women are financially excluded, facing several constraints in accessing financial services and products. The World Bank (2020) further estimates that the financial exclusion of women costs the developing countries in Sub-Saharan Africa (SSA) about US$95 billion of GDP annually. The World Bank (2020) further reported that women's financial inclusion aids in combatting social marginalization, reducing poverty and achieving entrepreneurial goals.

It has been noted that most women entrepreneurs across the globe fail due to a lack of access to affordable and quality financial products and services (World Bank, 2020). This is due to a number of factors, such as lack of traditional collateral, insufficient financial information and prevalence of discriminatory property rights (Gumbo et al., 2021), the Covid-19 worsened the situation through staying at home and other related measures. According to Gumbo et al. (2021), increasing women's accessibility, affordability and utilisation of financial services will therefore go a long way towards reducing the gender gap in entrepreneurship as well as promoting the viability of female-owned businesses.

Nonetheless, the dimensions of financial inclusion: access, usage and quality were jeopardized by the emergence of Covid -19. Access to financial services and basic economic transactions became a major challenge as lockdowns, and movement restrictions were rolled out to control the COVID-19 outbreak. The challenge was coupled with an advanced willingness to use which pushed the uptake and usage rates of financial services up since the start of the COVID-19 pandemic, reflected by an increase in volumes of digital transactions. However, the state of the financial markets was affected by the COVID-19 pandemic as systems could not be easily integrated and effectively to meet the surging demand. People intensified internet banking where at times, glitches were common. The drive to increase uptake and usage of digital financial services, respond to the urgent needs of SMEs and mitigate the effects on vulnerable groups such as women have implications for the dimensions of financial inclusion falling under 'quality'.

In Zimbabwe, financial inclusion has been central to development policy-making. Ajide (2020) documented that promoting financial inclusion has been instrumental in achieving the Vision 2030 Agenda for most developing African countries, including Zimbabwe. For instance, financial inclusion has been instrumental in achieving the Sustainable Development Goal (SDG) number 5 of gender equality and women empowerment (Ajide, 2020). According to the information provided by the Reserve Bank of Zimbabwe (RBZ) (2021), enhanced accessibility to formal financial services and products by women is instrumental towards achieving women empowerment and gender equality in Zimbabwe.

Financial inclusion of women has been linked to enhanced entrepreneurial success and viability of women-led businesses. For instance, several previous works, such as Islam (2020),

Ojo (2020) and Singh (2020) have found that the financial inclusion of women can significantly lead to enhanced entrepreneurial performance. The general theory entrepreneurship also predict a nexus between access to credit and entrepreneurship performance. Aspects of financial inclusion were disrupted by COVID-19, creating a subsequent bearing on the performance of small and vulnerable entrepreneurs such as women. Therefore, this study seeks to examine the impact of women's financial inclusion on entrepreneurial performance in Zimbabwe during COVID-19 in Chipadze, Bindura Urban.

Overview of Women-led Business Performance during Covid-19 in Zimbabwe

According to the FinScope micro, small to medium enterprises (MSME) (2021) survey, between 2015 and 2020, 47% of the female-run SME in Zimbabwe dismally failed compared to only 14% of male-run SMEs (FinMark Trust, 2021). On the other hand, according to Kabonga et al. (2021), the financial inclusion of women has resulted in the sustainability of female-run SMEs in Zimbabwe, Bindura in particular.

According to studies such as Chimanikire (2017), Kunyongana (2017) and Mupasi (2017), previous entrepreneurs in Bindura, especially women, have faced challenges in accessing affordable formal financial services due to factors such as lack of collateral. Entrepreneurs' access to formal financial services in Bindura has been linked to the increased failure of SMEs operating in Bindura, particularly female-owned SMEs (Chimanikire, 2017). Thus, it has been found that financial inclusion helped reverse the trend of SMEs' failure (Kunyongana, 2017). A study by Kabonga and Zvokuomba (2021) found that enhanced financial inclusion promoted entrepreneurship among people in Bindura particularly women and youths. In addition, the report of the Bindura, Business Traders Association (2021) revealed that financial inclusion through the Government of Zimbabwe's women empowerment programmes have resulted in increased accessibility to low-cost credit of women in businesses resulting in the increasing number of formally registered businesses in Bindura. The research study of Chimanikire (2017) found that most of the small businesses in Bindura, particularly those owned by females, have failed to survive the harsh business environment due to a lack of access to credit. This indicates that promoting women's financial inclusion in Bindura can significantly promote entrepreneurial performance. However, there needs to be more literature on the impact of women's financial inclusion on entrepreneurship performance in the context of Zimbabwe, particularly in Bindura. Therefore, against this background, this present study examines the influence of the financial inclusion of women on entrepreneurship performance, focusing on women entrepreneurs during Covid-19 in Chipadze, Bindura Urban.

Motivation for the Study

Research reports have indicated that despite the rising number of women getting into entrepreneurship in Bindura, most of their start-up businesses have failed to sustain themselves due to limited access to formal financial services. COVID-19 affected access to finance as a key element of financial inclusion. Studies such as Kabonga et al. (2021) and Kabonga and Zvoukomba (2021) have found that young entrepreneurs in Bindura urban have faced challenges due to a lack of access to formal financial services. In this concern, there have been efforts from various stakeholders, including the Government of Zimbabwe, through their gender equality and women empowerment programmes to promote the financial inclusion of women entrepreneurs towards the success of their entrepreneurial goals. In support, previous research conducted outside Zimbabwe have found that financial inclusion promotes the success of women entrepreneurs (Islam, 2020; Ojo, 2020; Singh, 2020). Besides, no empirical evidence exists on the link between financial inclusion and the entrepreneurship performance of the women in Zimbabwe, especially Bindura urban.

2. LITERATURE REVIEW

This study uses the general theory of entrepreneurship propounded by Shane in 2003. The theory states that abilities to identify and tap the opportunities provided by external business environments to start up or improve businesses differ across individuals and depend on the individuals' abilities to access information and inclination to act upon the information in terms of risks (Lyngsie & Foss, 2017). The theory is made up of opportunity discovery, opportunity evaluation and decisions to exploit an opportunity. However, the theory predicts that individual attributes made up of psychological and demographic factors such as gender affect the discovery and utilisation of entrepreneurial opportunities (Singh, 2020). In this context, access to quality and affordable financial services and products may help women to exploit available business opportunities.

Encompassing a broader perspective of business performance is the dynamic capability theory developed by Teece and Pisano earlier in 1994. According to these theorists, dynamic capabilities refer to establishing and integrating external and internal resources to limit the effects of binding constraints and boost firm performance (Karadağ, 2019). The dynamic capability theory states that firms need to take advantage of available resources and capabilities to attain maximum profits and performance. In this study, financial services and products are the resources whilst usage and accessibility are capabilities available to women entrepreneurs. Based on this theory, the capability of women entrepreneurs to access and utilise formal financial services and products can help promote and enhance innovation and business development. However, the theory is criticised for assuming a linear relationship between capabilities and firm performance (Karadağ, 2019).

The growing body of literature has emphasised financial inclusion, gender and entrepreneurship. The research of Islam (2020) examined the effects of financial inclusion on women entrepreneurs in Bangladesh. A sample of 207 women entrepreneurs was conveniently selected, and a structured questionnaire was used. Data were analysed using multivariate analysis techniques, namely factor and regression analyses, to determine the impacts of financial inclusion on women entrepreneurs. The study found that financial inclusion drives women to be entrepreneurs. Factors such as being comfortable in transactions and easing payment were found to significantly impact the financial inclusion of women entrepreneurs in Bangladesh. The use of the convenience sampling technique affected the validity of the data as it was associated with sampling bias. This present research will use the random sampling technique to ensure no sampling bias and improve the validity of research results.

Singh (2020) examined the influence of financial inclusion on female entrepreneurship in India using the explanatory research design. Primary and secondary quantitative data were gathered. Primary data were gathered using structured questionnaires distributed to a sample of 101 women entrepreneurs in Delhi. Data were analysed using descriptive, correlation and regression analyses. The financial inclusion dimensions, namely accessibility, utilisation and quality of financial services, were the independent variables, whilst entrepreneurial success was the dependent variable. The study's results revealed that financial inclusion is positively correlated to entrepreneurial success. The study also found that accessibility, utilization and quality of financial products significantly positively affected entrepreneurial success. This present study will also use the dimensions of financial inclusion (usage, accessibility and quality). However, the study will differ from that of Singh (2020) as it primarily relies on primary data rendering a lack of secondary data on financial inclusion indicators for women entrepreneurs in Chipadze, Bindura town.

The study of Ochieng (2019) examined the impacts of financial inclusion on performance and value creation of women-owned SMEs in Kenya using the case of SMEs in Nairobi. The research adopted the descriptive research design, where structured questionnaires gathered primary data.

A sample of 200 SMEs was used, and the random sampling technique was employed. Data were analysed using ANOVA and regression analyses. Affordability, accessibility and usage of financial services as financial inclusion measures represented the independent variables where competitive advantage and sales growth measured SME performance and value creation. The study revealed statistically significant difference in SME performance of financially excluded and financially included firms. The study also found a significant positive effects of affordability, usage and accessibility of financial services on SME performance and value creation. Although the findings may not apply to the context of Zimbabwe, the regression analysis methodology is also applied in this research.

In South Africa, Ojo (2020) studied financial inclusion and women empowerment using a case of female entrepreneurs in Gauteng. The research employed the feminist political economy framework to understand the historical financial exclusion of women in South Africa. The qualitative research approach was employed, were primary data were gathered using interviews. A sample size of five was used, and participants were selected using the snowball sampling. The study found that financial inclusion was important in empowering women to become entrepreneurs. However, given the small sample size, the research findings could only be generalized to some populations.

3. METHODOLOGY AND DATA

The study used a simple multivariate regression analysis to determine the impact of the three dimensions of financial inclusion, access, usage and quality on women-led SME performance. The sample size for the study was estimated using Slovin's (2012) sample size determination formula (1):

$$n = \frac{N}{1 + Ne^2} \quad (1)$$

Given the target population of 120 (Bindura Municipality, 2021) and the level of precision of 5% based on the 95% confidence interval, the sample size for this study using the formula mentioned above was 93. The researchers, therefore, selected 93 women entrepreneurs in Chipadze using the random sampling technique to participate in the study. In this sampling technique, members of the population had equal chances to participate in the study, which reduced selection bias during selection. The researcher constructed a structured questionnaire with only close-ended questions. The close-ended questions were rated on a five-point Likert scale: 1 for strongly disagree to 5 for strongly agree. The questionnaire was developed based on the research instruments of previous studies such as Ochieng (2019). Cross-sectional data were collected and analysed following empirical model specifications of previous studies such as by Islam (2020) and Ochieng (2019). The following regression model shown in equation (2) was used for analysis.

$$EP_i = \beta_0 + \beta_1 X_1 + B_2 X_2 + \beta_3 X_3 + \varepsilon_i \quad (2)$$

Where; EP = entrepreneurial performance measured by sales growth; β_0= regression constant; $\beta_1 to\ \beta_3$ = regression coefficients; X_1 = Accessibility to formal financial services and products; X_2= Usage of formal financial products/services; X_3= Quality of formal financial services/products; ε = error term. Tests for multiple linear regression assumptions like multicollinearity, heteroscedasticity, normality and linearity were conducted. In particular, the RESET test, the Jarque-Bera (JB) test, pair-wise correlation test and the Breusch-Pagan-Godfrey

(BPG) test were employed to check for model specification, normality, multicollinearity and heteroskedasticity in the linear regression model. The Cronbach Alpha test was estimated to check for reliability and internal consistency of the questionnaire.

Discussion of Findings

The researchers administered a total of 93 questionnaires to women entrepreneurs in Bindura urban. However, the researchers managed to collect 70 questionnaires which were completely filled representing a response rate of 75.3%. Bryman and Bell (2018) posited that response rates of more than 70% are satisfactory for making analyses and drawing inferences from the data collected.

The study also conducted the Cronbach Alpha test to determine the reliability of the questionnaire. The results are presented in Table 1.

TABLE 1. Reliability statistics

Cronbach's Alpha	N of Items
0.748	14
Source: Eviews output	

The results presented in Table 1 indicate that the administered questionnaire with 14 items attained a Cronbach Alpha statistic of 0.748. The statistic was relatively greater than 0.7, indicating the questionnaire attained internal consistency and reliability. Hence, the questionnaire collected reliable data. As Bryman and Bell (2018) indicated, a Cronbach's alpha statistic of at least 0.7 implies the reliability of an instrument.

Demographic details of respondents

The study collected demographic data of the respondents as age, highest levels of educational qualifications attained and number of years in entrepreneurial business. The results are summarised in Table 2.

TABLE 2. Demographic details of respondents (n=70)

Demographic Variable	Frequency (n)	Percentage (%)
Age		
18-30 years	12	17.1
31-40 years	35	50.0
41-50 years	20	28.6
51 – 60 years	3	4.3
Highest level of education		
Secondary education	16	22.9
College certificate/ Diploma	16	22.9
Bachelor's Degree	20	28.6
Master's Degree	18	25.7
Period in business		
Less than 5 years	13	18.6
5 – 10 years	10	14.3
11 – 15 years	15	21.4
16 – 20 years	16	22.9
Over 20 years	16	22.9
Source: Survey data		

The results presented in Table 2, in terms of age, 50% of the respondents were aged between 31 and 40 years, followed by 28.6% aged between 41 and 50 years and 17.1% between 18 and 30 years. The smallest number of respondents (4.3%) were between 50 and 60 years old. The results imply that most women entrepreneurs in Bindura urban are between 30 and 50 years old. According to Shane's theory of entrepreneurship, age is also considered a determinant of entrepreneurship.

On the other hand, in terms of education, 28.6% of the respondents reported that they had Bachelor's degrees, whilst 25.7% had Master's degrees. Equal proportions of 22.9% of the respondents had secondary education certificates and diplomas each. The results infer that most women entrepreneurs in Bindura urban have tertiary educational qualifications. According to Shane's entrepreneurship theory, education is also considered an essential determinant of entrepreneurship.

Furthermore, the respondents were provided with the number of years they had been in business. Most respondents highlighted that they had been in business for 16 to 20 years (22.9) and over 20 years (22.9%). Those with 11 to 15 years in entrepreneurship accounted for 21.4%, whilst 18.6% had been in business for less than five years, and 14.3% had 5 to 10 years in business. These results imply that most of the female entrepreneurs in Bindura urban have been in business for at least ten years. Hence, they had in-depth knowledge regarding financial inclusion and entrepreneurial performance based on their experience.

Financial inclusion of women entrepreneurs

The researchers investigated the level of bank ownership among the respondents. In doing so, the respondents were asked if their businesses had functional formal bank accounts, and the results are presented in Table 3.

TABLE 3. Bank account ownership

	Yes	**No**
Percentage of respondents	62.9%	37.1%
Source: Survey data		

The results presented in Table 3 show that most of the businesses of the women entrepreneurs in Bindura have active formal bank accounts based on the majority response of 62.9%. However, 37.1% of the respondents indicated that their businesses had no bank accounts. These results, therefore, imply that most of the women entrepreneurs in Bindura urban are financially included.

Furthermore, the research sought to determine the extent of accessibility, usage and quality of the financial services and products. The descriptive analyses relating to accessibility, usage and quality of the financial services and products are presented in the following sections. The five-point Likert scale interpretation for means was used.

Accessibility of financial services and products

Table 4 presents the descriptive results pertaining to access to financial services/products by the women entrepreneurs in Bindura urban.

TABLE 4. Accessibility of financial services and products

Accessibility to financial services/products	**N**	**Mean**	**Std. Dev**	**Modal response**
Financial services and products are conveniently accessible	**70**	1.87	0.837	Disagree
Women in business have access to credit from the bank	**70**	1.76	0.735	Disagree

Financial services and products are affordable	**70**	1.71	0.993	Disagree
Women entrepreneurs have access to financial information	**70**	4.39	0.767	Agree
Source: Survey data				

The descriptive results in Table 4 show that majority of the respondents disagreed that financial services and products were conveniently accessible (M=1.87; SD=0.837) and that women in business have access to credit from the banks (M=1.76; SD=0.735). The results also show that majority of the respondents disagreed that financial services and products were affordable (M=1.71; SD=0.993) whilst it was agreed that women entrepreneurs have access to financial information (M=4.39; SD=0.767). In overall, the results reflect that there is limited accessibility of financial products and services by the women entrepreneurs in Bindura urban.

Usage of financial services and products

The results shown in Table 5 indicate that most women entrepreneurs agreed that mobile and online banking services were used for payments and transactions (M=4.37; SD=0.783). However, a significant number of respondents, indicated by the mean of 1.57 and standard deviation of 0.767, disagreed that they always sought financial services and products from the formal sector. Besides, most respondents agreed that women entrepreneurs were aware of available financial services and products (M=4.36; SD=0.835). The results infer limited usage of financial products and services by the women in business in Bindura.

TABLE 5. Usage of financial services and products

Usage of financial services and products	N	Mean	Std. Dev	Modal response
We make use of mobile and online banking services for payments and transactions	**70**	4.37	0.783	Agree
We always seek financial services and products from the formal sector	**70**	1.57	0.735	Disagree
We are aware of available financial services and products	**70**	4.36	0.835	Agree
Source: Survey data				

Quality of financial services and products

The results in Table 6 show the extent of the quality of financial services and products. These results indicate that most of the respondents disagreed that financial services and products were availed to the entrepreneurs on time (M=2.37; SD=1.054) whilst the majority on the other hand agreed that there were various credit options from the banks (M=4.37; SD=0.672). However, majority disagreed that the women entrepreneurs were provided financial services and products sufficient to meet their needs (M=2.46; SD=0.835). In overall, the results indicate women entrepreneurs in Bindura urban are financially excluded in terms of quality of financial services and products.

TABLE 6. Quality of financial services and products

Quality of financial services and products	N	Mean	Std. Dev	Modal response
Financial services and products are availed in time	**70**	2.37	1.054	Disagree

There are various credit options from the bank	**70**	4.37	0.672	Agree
The firm is provided services and products sufficient to meet the needs	**70**	2.46	0.835	Disagree
Source: Survey data				

Impact of financial inclusion on women entrepreneurship performance

The study aimed to examine the influence of financial inclusion (accessibility, usage and quality of financial services and products) on women entrepreneurial performance in Chipadze, Bindura Urban. A multivariate regression analysis was carried out to achieve the objectives of the study. Tests for assumptions for linear regression (model specification, normality, multicollinearity and heteroscedasticity) were conducted. The results are summarized in Table 7.

TABLE 7. Results for model diagnostic tests

Assumption	Test	Statistic	Prob. value	Decision at 5% level of significance
Normality	JB test	1.16	0.157	Residuals normally distributed
Model specification	RESET	2.66	0.108	Model correctly specified
Heteroscedasticity	BPG test	6.15	0.090	Homoscedastic variance
Source: E-views 10 output				

The p-values were significantly higher than 0.05, implying that the residuals followed a normal distribution, the model was correctly specified and no severe problems of heteroscedasticity. In addition, the model did not suffer from serious multicollinearity problems, as correlations between the independent variables were less than the rule of thumb of 0.8. Hence, the researcher proceeded with estimating the model and the results are presented in Table 8.

TABLE 8. OLS regression results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.874403	0.473833	1.184538	0.0695
Accessibility	0.228037	0.103919	2.194366	0.0317***
Usage	0.265671	0.099876	2.899334	0.0419***
Quality	0.309315	0.078734	3.928607	0.0002***
R-squared	0.578309	Mean dependent var		4.314286
Adjusted R-squared	0.578309	S.D. dependent var		0.671206
S.E. of regression	0.484800	Akaike info criterion		1.445284
Sum squared resid	15.51204	Schwarz criterion		1.573770
Log likelihood	46.58495	Hannan-Quinn criter		1.496320
F-statistic	22.08740	Durbin-Watson stat		1.549861
Prob (F-statistic)	0.000000			
*** *represents significant at 5% level of significance* *Source:* E-views 10 output				

The regression results indicate significant positive effects of accessibility (β=0.228; p=0.0317), quality (β=0.309; p=0.0002) and usage (β=0.266; p=0.0419) of financial services and products on entrepreneurial performance. In addition, the model estimated an R-squared of 0.6 implying that about 60% of the variations in entrepreneurial performance are jointly explained

by accessibility, quality and utilisation of financial services and products. Hence, the model estimated may be a good prediction model for entrepreneurial performance and financial inclusion of women entrepreneurs.

5. DISCUSSIONS

The regression results estimated a positive coefficient of 0.228 for the accessibility of financial products and services, which is statistically significant at 5% level ($p=0.0317<0.05$). The results indicate that the financial inclusion of women entrepreneurs in Bindura urban through accessibility to financial products and services may significantly increase entrepreneurial performance. Similarly, Singh (2020), who examined the influence of financial inclusion on female entrepreneurship in India found that accessibility of financial services is had significant positive effects on entrepreneurial success. The results also concur with Shane's entrepreneurship theory, which predicts that opportunities to start or improve businesses depend on individuals' ability to access information.

Furthermore, the regression results indicate significant positive effects of usage of financial products and service on entrepreneurial performance as indicated by the regression coefficient of 0.266 which is statistically significant at 5% level ($p=0.0419<0.05$). These results mean that utilization of available financial services and products by women entrepreneurs in Bindura urban may significantly result in increased entrepreneurial performance in terms of profitability and sales growth. The results are comparable to those of Ochieng (2019) who revealed a significant positive effect of usage to financial products on improved performance of women-owned SMEs.

The regression also estimated a positive coefficient of 0.309 for quality of financial products and services which is statistically significant at 5% level ($p=0.0002<0.05$). The results infer that accessibility and utilization of quality financial services and products by the women entrepreneurs in Bindura urban may significantly result in increased entrepreneurial performance. These results are similar to those of Singh (2018) who found that utilization of quality financial services and products had significant positive effects on entrepreneurial success.

6. CONCLUSIONS

Small to Medium Enterprises (SMEs) across sub-Saharan Africa suffered harsh economic impacts due to the COVID-19 pandemic. Most SMEs on the receiving end are women-led, with many reporting dwindling revenue records, mainly due to their smaller size, informality, and concentration in heavily affected sectors. Women-led SMEs entered the pandemic with lower financial inclusion rate than male-led SMEs.The main aim of the research was to determine the influence of financial inclusion on women-led SMEs performance during Covid-19 era in Chipadze, Bindura Urban. Specifically, the research sought to determine the impact of accessibility, utilisation and quality of financial services and products entrepreneurial performance of women-led SMEs during Covid-19 in Chipadze, Bindura Urban. The simple random sampling technique was employed, and data were collected using structured questionnaires. Descriptive analysis and multivariate regression analysis were conducted. On measuring the accessibility and quality of financial services, the modal responses were on the option of disagreement with a low deviation between respondents' answers. Only usage was agreed to be mostly done. This indicated consistency of low level of financial inclusion among women-led small businesses in Bindura. These data were used to empirically find the impact of each variable on business performance. Business performance included as the independent variable was measured using profitability being explained by accessibility, usage and quality. The model passed diagnostic tests, and results were interpreted. The study revealed significant

positive effects between financial inclusion dimensions (accessibility, usage and quality) on women-led SMEs performance despite low accessibility and poor quality of financial services during COVID-19. Hence, this study makes recommendations for the weaker indicators of financial inclusion, that is, accessibility and quality as reflected by the results. Given the statistically significant positive coefficient of 0.228 for accessibility of financial services and products, it has been concluded that promoting and ensuring accessibility of financial products and services to women through business-to-person (B2P) interactions may result in the success and growth of the women's start-up businesses. Based on the statistically significant positive coefficient of 0.309 for quality of financial services and/or products, the study concluded that financial institutions in Bindura and potential entrants ought to repackage and remodel their financial products such that they fit the market conditions of women-led small businesses in Chipadze. Fostering of measures aimed at increasing financial inclusion aspects of accessibility and quality of services among women-led SMEs during crises such as the Covid pandemic is therefore recommended.

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Impact of Crisis Trends in the Socio-Economic Sphere on the Quality of Life of Modern Youth

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Abstract

The pandemic has shown the world that the lives of young people have changed. They faced severe problems: the deterioration of the quality of education, the manifestation of social inequality among young people, a complete loss of independence, numerous stresses and a decrease in the productive potential of an entire generation. The purpose of the research is to assess the socioeconomic living conditions of young people, including the status of young people in society and the level of migration processes among young people. Youth support programs in conditions of economic instability are one of the tools to combat youth unemployment in the country, improve the quality of education and vocational training of young people, and stimulate youth entrepreneurship. As research methods, the article uses sociological methods (questionnaires, interviews, observation), the method of factor analysis, comparison and synthesis, statistical and graphical methods of data processing. The originality of the research is that the author tried to reveal the main factors influencing the quality of life of young people; increasing the level of employment and stimulating entrepreneurial initiative of young people in terms of respecting their rights and interests; recommendations for improving the state of youth policy in the region.

Keywords: Entrepreneurship, Human Capital, Youth Employment, Labor Mobility, Quality of Life, Population, Society

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1. INTRODUCTION

According to Magson et al. (2021), the COVID-19 pandemic has significantly impacted the lives of millions worldwide. Social workers and other professionals working with youth have been frontline witnesses to the accentuated negative impact of this public health emergency on youth and their families, as well as to the creative adaptive strategies of youth and their families (Khoury et al., 2023). The COVID-19 pandemic thrust the world into an unprecedented crisis as social workers, and other youth workers remained on the frontlines responding to the distress and isolation of youth and their families. The pandemic mainly affected vulnerable and marginalized peoples (Amadasun, 2020) and exacerbated already existing inequalities (Banks et al., 2020).

One of the main problems of the current state of the economy of different countries has become insufficient permeability of measures to create conditions for the self-realization of young people, and their personal and professional self-determination. Professional self-determination and employment of young people largely determine their life values and guidelines. However, to date, the factors affecting the quality of life of modern youth, taking into account regional and social aspects in a crisis economy, remain poorly understood.

The active manifestation of youth in self-realization is one of the main directions of the state youth policy, directly determining the quality of life of young people. The content of self-realization of young people is revealed in the manifestation of their professional and personal capabilities through various types of activities: creative, professional, political and spiritual. These social spheres will allow young people to realize their potential (getting a decent education, employment, stimulating entrepreneurial initiative and providing housing).With the help of the state and scientific research, practical youth activities should be developed, which are based on solving issues to ensure a decent life for young people, their self-realization and social development.

In Kazakhstan, opportunities to support young people both in the country and in the regions of the republic are prescribed at the legislative level. According to Articles 3, 10 and 11 of the Law of the Republic of Kazakhstan “On State Youth Policy” No. 285-V dated February 9, 2015, conditions should be created for young people for full-fledged spiritual, cultural, educational, professional and physical development, participation in the decision-making process, successful socialization and the direction of their potential for the further development of the country; thanks to the work of the Youth Labor Exchange information portal and cooperation with youth organizations, assistance should be provided in the employment and employment of young people, including support for talented youth in entrepreneurial activities (the Law of the Republic of Kazakhstan On State Youth Policy, 2015).

The current situation in the world imposes new demands on young people: to strive for self-realization, to be creative, to have communication skills, and to be financially literate and competitive in the labor market. In modern conditions of digital technology development, young people have all available resources to start acting, improve their potential, and gain knowledge from available sources of educational programs.

The transition to digital technologies, the openness of the economy and the availability of information sources in the new conditions have benefits and threats for modern youth. On the one hand, this creates favorable conditions for activating the social and labor mobility of young people, stimulating youth employment and developing entrepreneurial skills, and opportunities for developing personal and professional qualities. On the other hand, this causes significant risks for the modern young generation, which include lack of education, problems with assessing future employment, improper lifestyle, health risks of the younger generation, and inadequate perception of the surrounding reality.

The purpose of the research is to assess the socioeconomic living conditions of young people,

including the status of young people in society and the level of migration processes among young people. Youth support programs in conditions of economic instability are tools to combat youth unemployment in the country, improve the quality of education and vocational training of young people, and stimulate youth entrepreneurship. In this research, the author tried to study the factors influencing the quality of life of young people, and the emphasis was placed on students of higher educational institutions – K. Zhubanov Aktobe Regional University and Almaty Management University, based on the questionnaire of students, recommendations were given to increase the level of youth employment and stimulate the entrepreneurial initiative of young people.

2. LITERATURE REVIEW

The solution to many problems related to "youth" and the definition of the age limits of youth remains the subject of scientific discussions. In the " youth " category, most modern authors include older adolescents, representatives of youth and early adulthood. The youth environment becomes a unique space of life, the subjects living by their own rules and laws, often conflicting both with themselves and with representatives of other environments.

The notion of “youth” is a socially and contextually mediated construct. It is constituted, experienced, and perceived differently about age, gender, race, ethnicity, national origin, marital status, economic activity, and more. For example, many governmental and multilateral organization policy documents assign different age ranges to the youth category. In this volume, various definitions of youth are included and represented (Banati & Bacalso, 2021)

Youth is open to communication and competition: acquaintances are easy to make and break, friendships are easy to form, feelings arise, arguments and conflicts arise, and families are created. The leading activity is either vocational training or work activity, often both together. Through these activities, young people learn the norms of human relations (business, personal, etc.) and professional-labor skills.

Preserving the social health of children today is the most critical task of all those involved in the education and upbringing of the younger generation in the digital economy. Nowadays, educational work with children can only take place in the digital environment. It is impossible to ignore that today's schoolchildren mostly communicate on the Internet via mobile devices (Vladimirova et al., 2019).

In modern society, the social health of young people directly correlates with the presence of state policy to form a healthy lifestyle; the spread of mechanisms of virtual reality, communication in social networks; a significant social differentiation of society, primarily on the basis of "income level" and "prestige of the profession"; changes in the functioning of traditional institutions of socialization: family and education; the increasing role of the media in public life.

In the perception of students, healthy young people are as follows: Young people? Active, creative, progressive; individual, cheerful, ready for change; A healthy person is a harmoniously developed person in all spheres of life of any person; He is always open to the world and ready for some action, despite some internal problems; This is some person, who has some own opinion, his own point about some situation. A variety of factors in the social health of young people, the most important of which are the functioning of the social institutions of the family, education and the media, set the direction of the value orientations of the younger generation. In fact, the value orientation of modern youth is not self-realization in socially significant activities but any proof of their own existence, attracting attention to themselves, creating an ideal image of "I" in the eyes of others, both in absolute and in virtual life in social networks. For today's youth, work, profession, and work are instrumental values, while achieving social status without special efforts becomes the terminal value. On the one hand, young people are actively involved in labor activities at ever earlier stages of socialization, oriented toward entrepreneurial activity. On the

other hand, bureaucratic barriers prevent the development of a typical attitude of young people toward labor in the family and school (Matveeva et al., 2018).

World experience of the last decades shows that in the rapidly changing world, the strategic advantage will have those countries that can intensively develop, effectively accumulate and productively realize the human capital and innovation potential, the main carrier of which is the youth (Stoppe, 2022).

The formation of human capital is a process of searching for, renewing and improving the high-quality, productive characteristics of human beings with which they act in social production. The practice of recent decades proves convincingly that in a rapidly changing world, those societies that can effectively accumulate and productively use human capital, as well as innovative development potential, whose main carrier is young people, will have a strategic advantage (Kosykh, 2018).

One of the most vulnerable categories of young people is students. The presence of material, housing, social, and psychological problems seriously affects the receipt of education and the realization of their potential (Eskindarov et al., 2018). The youth labour market's functioning evaluates the existing educational system's "labor" efficiency. The parameters of the youth labor market (level of economic activity, employment rate, unemployment rate, etc.) are determined by various factors. In addition to the general economic situation, the most important of them include the enrollment of young people in education, the forms of organization of the educational process, the nature of the organization of military service, etc. Male employment rates are higher than female employment rates at all ages. The leading indicators of migration activity characterize young people aged 15-24. The outflow of young people from rural areas to cities begins at the age of 10-14 years old, and from the age of 15 this process increases rapidly, reaching a maximum at the age of 17-18 years. Women migrate to cities particularly intensively. After the age of 19, a slight reverse movement begins; some young people return from the cities to the countryside. Graduates of higher education institutions experience minor problems with employment (unfortunately, it is only sometimes a question of getting a job in the speciality or even corresponding to the level of education obtained).

Young people's choice of the future profession is a social, psychological, and economic process. One aspect of career choice is interest in professional orientation. It is known that a person's interests, including professional ones, are formed in the process of learning. A person starts to be conscious about the choice of the future profession at the age of 13-16. During this period, students can identify their dominant interests. It is this age that provides excellent opportunities for different personality traits. Sociological surveys of high school students show that the choice of the profession at the present stage is a serious life problem for the majority of high school graduates. Only two-thirds of the surveyed graduates make their final choice of the profession (Zhuravleva et al., 2019).

The problem of regulating youth employment in modern socio-economic conditions is obvious, since the issue of youth employment and the population as a whole is a key one in a market economy.

The growth of registered and hidden youth unemployment and the increase in its duration lead to a tightening of conditions for young people to enter the labor market. In contrast, opportunities for young people are already limited due to their lower competitiveness compared to other categories of the population. Lack of demand in the regional labor market for many of them leads to a significant number of young specialists being employed outside the direction of their training. The labor market of young specialists is characterized by a low degree of adaptation of graduates to search for a job. Young professionals find it challenging to find a job due lacking skills in employment technology and career planning. The beginning of a professional career often leads to an aggravation of problems caused by a new social status, a new social role, and changes in

living conditions associated with changes in family status, so young professionals often change their job requirements and employment goals. Young professionals need to be able not to carry personal and family problems to work, skillfully combining personal and professional interests to gain a foothold in the company at the beginning of their professional journey. The definition of "youth unemployment" is understood as a particular phenomenon in the labor market, characterized by a mismatch between the demand for young labor and its supply due to the characteristics of young people as a particular category of the population. Increasing human capital and the competitiveness of young people in the labor market requires changes in the institutional component of youth policy, the creation of fundamentally new infrastructures in the youth environment, investment in this area of resources, both public and private, forming conditions for the self-organization and self-actualization of young people (Nikulina & Kislova, 2017). On the one hand, the demand in the labor market can be presented by obsolete enterprises, where today's young people do not want to work. On the other hand, innovative industries often need help finding specialists with the required qualifications because the education system needs the human and technical resources to train staff at such a high level (Avraamova et al., 2018).

The consciousness of young people is sensitive and receptive to the events taking place in society. At the same time, it can process and absorb a significant flow of information, thus forming its worldview and breadth of outlook. At the present stage of social development, it is essential to assess the complexity of the problems that need to be solved by young people; the ability to realize what specific difficulties they face; the ability to analyze and think positively; to know the factors that affect the demographic situation (Tolmacheva et al., 2019). The claim that young people are more optimistic about the future than older generations is only a tendency, and the concrete idea of the future and the role in it differs significantly in new generations, which makes it necessary to involve young people in the humanitarian expertise of bio- and medical projects that affect human nature and to consider the factor of experiments in the new generation to change human nature in state youth policy (which was not previously considered) (Kovaleva et al., 2018).

Currently, labor mobility is highest among the young population because young people are focused on career advancement and are not completely tied to a particular company; accordingly, the youth make decisions about moving to or finding jobs much easier in another city or country. Nowadays, more and more countries are getting involved in labor force exchange. In particular, international labor migration has become one of the most important parts of the world economy system, the existence norm of most countries. The causes of youth labor migration are: the state of the labor market, unemployment, difficulties in finding a job, improving their material situation, prospects for advancement, acquiring knowledge about the world around them, establishing links, and many others (Mizintseva et al., 2017).

Today, young citizens are increasingly thinking about the prospects of starting their own business and increasing their financial well-being. Youth entrepreneurship occupies an important place in the economies of leading countries, partly because it is a tool to overcome the global problem - the problem of youth unemployment, which is acute in recent times (Sokolov, 2017).

3. METHODOLOGY

The object of the research is youth as a special socio-demographic group, mainly students of Aktobe Regional University named after K.Zhubanov and Almaty Management University aged 18 to 21 years, as well as teachers aged 30 to 35 years and 35 to 63 years – the rest of the group of participants who have their own point of view on the studied problems. The following methods were used in the course of the study: sociological methods (questionnaire, interview, observation), the method of factor analysis, comparison and synthesis, graphical and tabular

methods of data processing, methods of ranking and scaling of sociological information. The tabular method made it possible to identify factors influencing the quality of life of young people and highlight priority trends.

The author per his scientific interest, chose K.Zhubanov Aktobe Regional University and Almaty Management University. A survey of students and teachers was conducted on the database of universities. The main questions of the questionnaire were aimed at identifying the assessment of the quality of life, social and labor mobility, stimulating employment and increasing the competitiveness of young people in the labor market in modern conditions. The results of the survey will allow us to develop a model of social and labor mobility and professional orientation of young people in the country, but first recommendations will be developed to improve the state of life of young people and improve the quality of personal and professional skills of young people, allowing them to get a decent education, develop entrepreneurial thinking and be competitive in the labor market. This model, including recommendations, may include collecting information on the object of research; ranking problems and building a "tree of problems"; analyzing the problem using the method of cause-and-effect relationships; a step-by-step algorithm for situational analysis of youth behavior in the labor market and stimulating the employment of young people; testing the model; choosing a specific solution to the problem.

The study of youth problems in modern conditions shows the importance of developing a model of the value system and professional orientation of young people, capable of making adjustments to the personal and professional lives of young people in a crisis economy, taking into account the needs of young people and various factors affecting the improvement of the quality of life of young people.

4. FINDINGS AND DISCUSSION

The study of the problems of modern youth in a crisis economy is based on the concepts and principles of sociological approaches regarding the phenomena occurring in the social, economic, political and other spheres of life of young people. It is possible using quantitative and qualitative research methods, such as tests and experiments, questionnaires, observation, content analysis, and focus group methods. In turn, tests and experiments are characterized by significant reliability and validity (Abakumova et al., 2018). Using the tabular method, it is possible to identify factors influencing the quality of life of young people and identify priority trends.

In our research, a questionnaire was developed for young people of different age categories, mainly students and university teachers. The main questions of the questionnaire were aimed at identifying the assessment of the quality of life, social and labor mobility, stimulating employment and increasing the competitiveness of young people in the labor market in modern conditions. The results of the survey will allow us to develop a model of social and labor mobility and the professional orientation of young people in the country.

According to Repnikova (2021), youth is a group characterized by specific criteria: age, status in society, occupation, specific values and guidelines. All the features of the social status of young people can be presented in tabular form (see Table 1).

The object of research in the work is youth as a special socio-demographic group, mainly students of Aktobe Regional University named after K.Zhubanov and Almaty Management University aged 18 to 21 years, as well as teachers aged 30 to 35 years and 35 to 63 years – the rest of the group of participants who have their own point of view point of view on the studied problem.

Since young people from different cities took part in the survey, 2 identical questionnaires were developed to collect information about the life values and priorities of young people.

TABLE 1. Social characteristics of youth

Characteristic	Examples
the need to assimilate social norms developed by society	Customs, traditions, legal norms, moral norms, political norms, religious norms, aesthetic norms
mastering new social roles	employee, student, family man, citizen
high level of social mobility	processes and results of the movement of individuals of youth age from one position, status to another; social and labor mobility
formation of life values and priorities	work, family, kindness, love or happiness
active search for your place in life	choice of a profession, the choice of a life partner, the search for themselves, their destiny by young people of an older age.
Note: Compiled by the author	

The questionnaire developed by the author consisted of 30 questions with examples of answers. The choice of answers depended on the life position of the youth and its social characteristics. In addition to students of the Faculty of Economics of 1-4 courses, university teachers took part in the survey.

The survey participants both differed from each other in their life principles, worldview, professional principles, and, despite a small age difference, had similar views. The effectiveness of the survey was also influenced by the location of the respondents – Almaty or Aktobe.

The data obtained as a result of the questionnaire were presented in the form of a tabular form or diagrams, which helped to assess the quality of life of young people by ranking, comparing and analyzing data, taking into account the influence of various factors (economy, politics, demography, nature, innovation) on the behavior of young people. The survey results conducted at the selected research objects are given below.

In Aktobe, 46 students of the local university and other youth of the region took an active part in the survey, of which 31 respondents (67.4%) were girls (women); 15 respondents (32.6%) were young boys (men) (Figure 1).

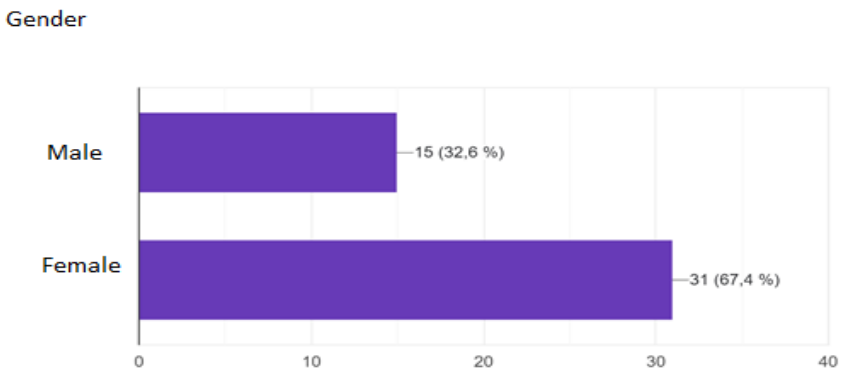


FIGURE 1. Participants

Note: Compiled by the author

The following values were noted as the primary critical indicators in the survey: starting your own business, having a good family, material well-being, having good friends, getting a good education, and health.

A significant part of young people (76.1%) – 35 respondents strive to be healthy, 32 respondents (69.6%) want to have a good family, 17 respondents (37%) want to be entrepreneurs, 31 respondents (67.4%) strive for a better life. The lowest value was shown by 12 respondents (36.1%) who want to have good friends and ten respondents (21.7%) who want to get a good education (Figure 2).

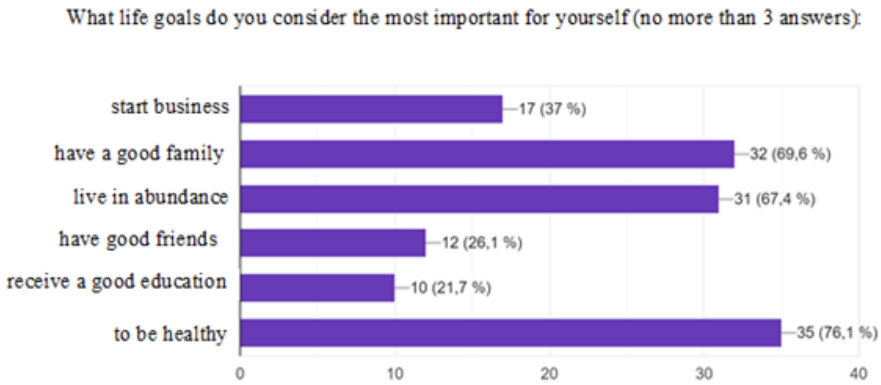
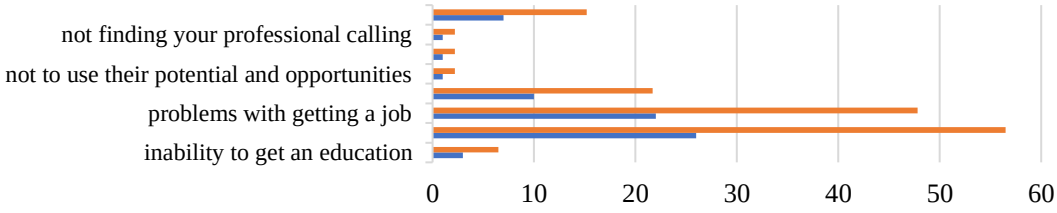


FIGURE 2. Life guidelines for young people

Note: Compiled by the author

According to the survey data, young people are largely afraid of being left without means of livelihood (56.5%), they are concerned about unemployment (47.8%) and the continuing problem of crime (21.7%) and economic problems (2.2%) (Figure 3).

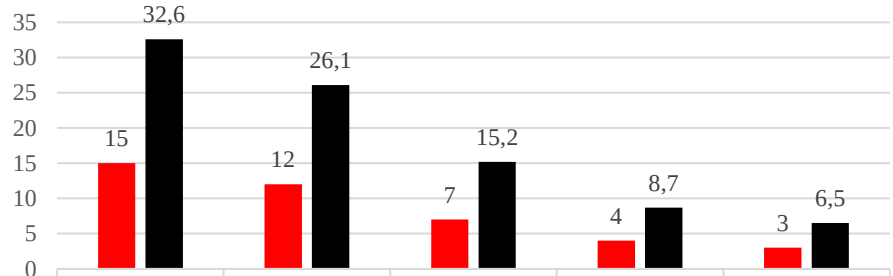


	inability to get an education	be left without a means of subsistence	problems with getting a job	crime	not to use their potential and opportunities	economic factors	not finding your professional calling	not to meet the person you love
%	6,5	56,5	47,8	21,7	2,2	2,2	2,2	15,2
Absolute value	3	26	22	10	1	1	1	7

FIGURE 3. Fear and uncertainty of young people in their future life

Note: Compiled by the author

According to the survey results, young people experience problems with self-expression (26.1%), harmony (15.2%), rest (8.7%) and job search (6.5%). The remaining respondents (32.6%) could not assess the difficulties they face in life (Figure 4). The data obtained indicate that the current situation in the country (economic and climatic factors caused by the pandemic) has a serious impact on the thinking of young people.

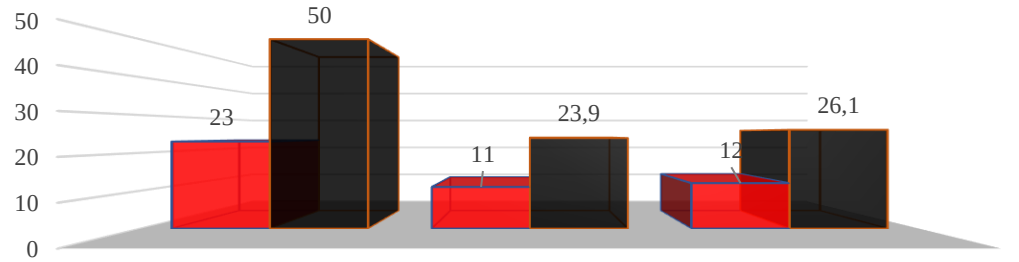


	I can't answer that question	Problems in self-expression and self-development	Problems of harmony	Recreation problems	Problems with finding a job and employment
Absolute value	15	12	7	4	3
%	32,6	26,1	15,2	8,7	6,5

FIGURE 4. Current problems of youth

Note: Compiled by the author

According to the results of a survey of young people to determine opportunities for self-realization in modern Kazakhstan, it was determined that a significant part of young people are ready to realize themselves fully, despite some difficulties (50%), but 23.9% of respondents are unable to realize themselves, and 26.1% of respondents are ready to fully realize themselves. The data indicate that young people do not lose optimism and believe in a bright future (Figure 5).



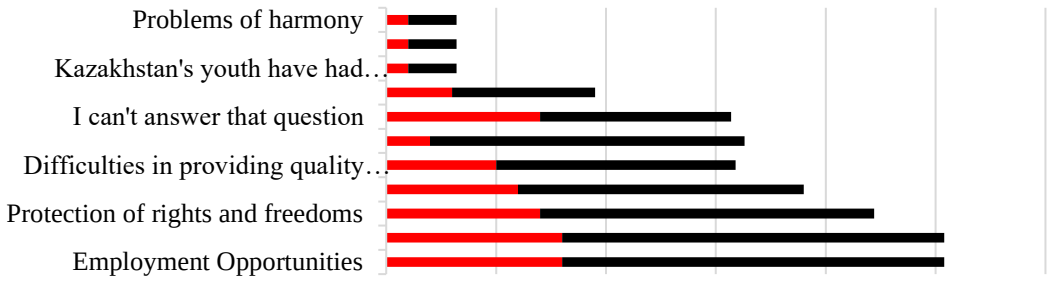
	More likely yes, young people can realize themselves, despite some difficulties	More likely no, only a small proportion of young people can realize themselves	Yes, young people can fully realize themselves wherever they want.
Absolute value	23	11	12
%	50	23,9	26,1

FIGURE 5. Opportunities for self-realization of young people

Note: Compiled by the author

According to the results of the survey, it was found out that 22 respondents have problems finding a job, and eight respondents (17.4%) have faced employment problems, but they have complete confidence that the state should provide support to young people. The rest of the respondents are sure that the rights and freedoms of young people are not protected in the country (15.2%), there is no opportunity to openly express their opinion to the state (13%), and there are difficulties in obtaining quality education (10.9%).

Meanwhile, young people aged 18-23 are concerned about the problem of self-expression (4.3%) lack of entertainment and recreational activities in the region (6.5%). Among the respondents, some young people believe that all conditions for self-realization have been created for young people in Kazakhstan (6.5%). They only need more attention from close people; 8.7% of respondents could not choose the appropriate answer (Figure 6).



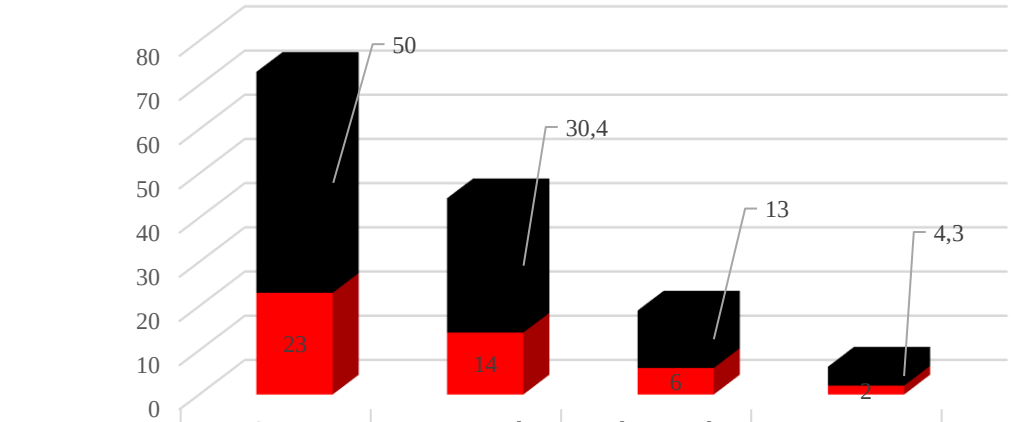
	Employment Opportunities	Social support from the state (scholarships, allowances, etc.)	Protection of rights and freedoms	Young people do not have opportunities to make their opinions known to…	Difficulties in providing quality education	Problems of self-expression	I can't answer that question	Not enough entertainment and recreational activities	Kazakhstan's youth have had enough of everything	Communication with people with similar interests	Problems of harmony
Absolute value	8	8	7	6	5	2	7	3	1	1	1
%	17,4	17,4	15,2	13	10,9	14,3	8,7	6,5	2,2	2,2	2,2

FIGURE 6. Problems of youth support in Kazakhstan

Note: Compiled by the author

As a result of the survey of young people and students, it was also found that young people assign an essential role to the state in optimizing the mechanisms of professional growth and youth support (23 respondents). Some believe that young people should be involved in this process (14 respondents) (Figure 7). Analyzing the respondents' answers, one can certainly note the favorable expectations of young people from the support of the state and focus on their resources.

The current problems of youth undoubtedly require the support of the state. One of the promising areas of state support for youth is support for youth entrepreneurship (21 respondents), support for rural areas and young people from small towns (17 respondents); providing housing for young professionals (13 respondents). As can be seen from the respondents' answers, young people do not have enough care and support from the state and she is aware of the pressing problems of young people.



	State	Young people themselves	Educational institutions	Big Business
%	50	30,4	13	4,3
Absolute value	23	14	6	2

FIGURE 7. Optimization of mechanisms of professional growth and youth support

Note: Compiled by the author

At the end of the survey, the respondents shared their opinion on the assessment of the attractiveness of the Aktobe region for young people throughout Kazakhstan. The young people received both positive and negative points. As a positive point, it can be noted that conditions can be created in the region to support young people. This is the creation of jobs through the support of local entrepreneurs, and the effective work of the youth labor exchange; this is a fair competition of regional universities in the educational market through the development of promising educational programs and improving the quality of educational services; this is the creation of effective programs for professional orientation and career aspirations of young people together with universities and local authorities; this is the holding of business events and the organization of educational courses at universities with the involvement of well-known and successful entrepreneurs.

Along with the positive aspects, the young people noted the factors that create obstacles to implementing all plans to increase the region's attractiveness for young people. Among the main obstacles, the corruption component was highlighted.

Having analyzed the results of the survey in the Aktobe region, which depend on various factors occurring in society, we compare the data collected during the survey of young people from among teachers and students in Almaty on the basis of the Almaty Management University. The survey was conducted in order to determine the life prospects and professional self-determination of young people living in a big city and studying at one of the best business

universities in the country. It was attended by young people aged 18 to 35 years in the number of 35 young people, 13 respondents - young boys and 22 respondents – young girls.

As in Aktobe, the following values were noted as the main key indicators in the survey of Almaty youth: opening your own business, having a good family, material well-being, having good friends, getting a good education, health.

A significant part of young people (77.1%) – 27 respondents strive to be healthy, 19 respondents (54.3%) want to have a good family, 14 respondents (40%) want to be entrepreneurs, 24 respondents (68.6%) strive for a better life. The lowest value was shown by 10 respondents (28.6%) who want to have good friends, and only 7 respondents (20%) who want to get a good education.

However, their fears and uncertainty about the future life of Almaty youth were associated with the risk of being left without means of livelihood (48.6%), and being left without a job (42.9%). These two problems are causing increasing concerns among modern youth. Along with these problems, young people are concerned about the problem of education in the country (7 respondents), loneliness (9 respondents), and crime (7 respondents). The crisis state of the economy, especially aggravated during the pandemic, had a negative impact on the quality of life of young people, their uncertainty about the future. In the conditions of economic crisis, young people are experiencing problems with obtaining higher education and subsequent employment in their speciality. Negative news about the increasing crime among young people is clearly demonstrated on social networks, young people prefer virtual communication to live communication, which often negatively affects the behavior of young people (see Table 2). The rest of the respondents were concerned about political and economic instability in the country and the world, budget insufficiency, unrealized goals and regret due to inaction.

TABLE 2. Fear and uncertainty in the future life of young people

No.	Answer options	Number of responses	
		Absolute value	%
1	inability to get an education	7	20
2	to remain without means of subsistence	17	48,6
3	problems with youth employment	15	42,9
4	crime	7	20
5	political and economic volatility	1	2,9
6	political and economic situation in the country and the world	1	2,9
7	health	1	2,9
8	problem of loneliness of young people	9	25,7
9	future of Kazakhstan	1	2,9
10	inability to implement plans	1	2,9
11	regrets due to inaction	1	2,9
12	to lose the passion for your dreams and goals because of a lack of budget	1	2,9
Note: Compiled by the author			

According to the survey results, young people experience problems with self-expression (8.6%), harmony (14.3%) and rest (14.3%) and maintaining health (14.5%). The remaining respondents (28.6%) could not assess their life difficulties. Among other responses, young people noted problems of communication with the older generation (2.9%), family problems, difficulties in personal life, problems of communication with people (2.9%) and finding housing (2.9%) (see

Table 3). If we compare the data obtained from the survey in Aktobe with the data from Almaty, we can note some differences. It is evident that significant factors influence the behaviour and thinking of young people in Almaty: living in a big city, a massive flow of information, economic factors, the level of education of young people, their independence, and initiative.

TABLE 3. Difficulties in the life of young people

No.	Answer options	Number of responses	
		Absolute value	%
1	I can't answer that question	10	28,6
2	Health	5	14,3
3	Problems of harmony	5	14,3
4	Problems with leisure and fun	3	8,6
5	Problems with self-expression and self-development	3	8,6
6	Recreation problems	5	14,3
7	Problems with communication with the older generation	1	2,9
8	Problems in the family, difficulties in personal life	1	2,9
9	Problems in communicating with friends, acquaintances, colleagues	1	2,9
10	Problems with finding a place to live	1	2,9
Note: Compiled by the authors			

Meanwhile, the youth of Almaty are concerned about the problem of interaction between youth and the state (17.1%), social insecurity of youth (14.3%), the problem of harmony (11.4%) and youth employment (14.3%). Among the responses of young people, the concern of young people about getting a quality education (14.3%) and the possibility of self-expression (5.7%) was also noted (see Table 4).

TABLE 4. Problems of youth manifestation in modern society

No.	Answer options	Number of responses	
		Absolute value	%
1	Young people have no opportunities to communicate their opinions to the state	6	17,1
2	Social support from the state (scholarships, benefits, etc.)	5	14,3
3	Protection of rights and freedoms	4	11,4
4	Problems of harmony	4	11,4
5	Problem of employment	5	14,3
6	Problem of receiving quality education	5	14,3
7	Everything is enough for Kazakhstani youth already	2	5,7
8	I can't answer that question	2	5,7
9	Possibilities of self-expression	2	5,7
Note: Compiled by the authors			

As a result of the Almaty youth survey, it was also found that young people assign an important role to the state in optimizing the mechanisms of professional growth and youth support (14 respondents), believing the important influence of the state on universal support of youth as a valuable resource of the country. Some people believe that young people should

show responsibility themselves (10 respondents). Among the answers, the importance of interaction between the state and educational institutions was noted, which should take into account the interests of young people, create all the conditions necessary for obtaining high-quality education and stimulate employment in the labor market. Analyzing the respondents' answers, it is certainly possible to note the favorable expectations of young people in interaction with the state, educational institutions and business structures.

Almaty is a promising region for the youth of all Kazakhstan. Here, young people have the opportunity to develop in various fields, compete in the labor market and receive decent wages. Most importantly, living in a big city allows young people to show their independence, ambition, and creativity. A powerful financial potential is concentrated in the city, choosing life in Almaty, young people strive for financial stability, quality education and independence.

The survey conducted by the youth of Aktobe and Almaty based on universities aimed to assess the current situation concerning youth in the country and regions. The survey results showed the weaknesses and strengths, opportunities and threats of youth policy in Kazakhstan. The main emphasis in addressing youth issues should be on improving young people's social status and creating favorable conditions for young people to express their ambitious plans. The results of the survey will help develop recommendations for supporting young people in the regions of the country.

5. CONCLUSIONS

Summing up, it is important to note the importance and special role of studying the problems of young people to improve their quality of life, the manifestation of their best qualities (demonstration of knowledge, skills and abilities), manifested as a result of the realization of their professional and personal capabilities. Taking into account the experience of foreign countries and the analysis of data sources obtained during the survey of modern youth, an in-depth study of its problems can not only contribute to improving the quality of life of young people, but also solve many social problems of the younger generation, taking into account the diversity of factors influencing the value and life value orientations of young people.

Assessing the current situation in the youth policy of Kazakhstan, which is one of the main guidelines of state policy in the country, we will highlight the following areas of support for youth in Kazakhstan and summarize the results:

- creation of conditions for self-realization of young people, their personal and professional self-determination;
- development of effective youth activity, which is based on the solution of issues of ensuring a decent life for young people, their self-realization and social development;
- it is important to pay attention to the development of digital technologies in order to obtain the availability of resources in order to start acting, increase your potential, gain knowledge from available sources of educational programs;
- intensively develop, effectively accumulate and productively realize human capital and innovative potential, the main carrier of which is youth;
- changing the institutional component of youth policy, creating fundamentally new infrastructures in the youth environment, investing public and private resources in this area, forming conditions for self-organization and self-realization of youth;
- increase of labor productivity due to labor mobility of young people;
- assign an important role to the state in optimizing the mechanisms of professional growth and youth support;
- creation of jobs through the support of local entrepreneurs, effective work of the youth labor exchange;
- organization of fair competition of regional universities in the educational market by

developing promising educational programs and improving the quality of educational services;

- creation of effective programs on professional orientation and career aspirations of young people together with universities and local authorities;
- creation of effective programs of professional orientation and career aspirations of young people together with universities and local governments;
- conducting business events and organizing educational courses at universities with the involvement of well-known and successful entrepreneurs;
- improving the social status of young people and creating favorable conditions for young people to express their ambitious plans.

Implementing effective youth support programs and the development of scientific approaches and principles of regional youth social policy will give young people a chance to get the necessary qualifications and get a job or get an education in the field of entrepreneurship and start their businesses. With the help of the state and scientific research, effective youth activities should be developed based on solving issues of ensuring a decent life for young people, their self-realization and social development.

The survey results will allow us to develop a social and labor mobility model and the professional orientation of young people in the country. This model, taking into account the recommendations, may include collecting information on the object of research; ranking problems and building a "tree of problems"; analyzing the problem using the method of cause-and-effect relationships; a step-by-step algorithm for situational analysis of youth behavior in the labor market and stimulating the employment of young people; testing the model; choosing a specific solution to the problem.

The study of youth problems in modern conditions shows the importance of developing a model of the value system and professional orientation of young people, capable of making adjustments to the personal and professional life of young people in a crisis economy, taking into account the needs of young people and various factors affecting the improvement of the quality of life of young people.

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Cross-Country Study of Central Asia and Central Europe: Gender Equality Issues

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EJEBS

Abstract

The study investigates how gender stereotypes and economic differences influence gender inequality in emerging economies. The research aims to examine gender imbalances in Central Asia (CA) and Central Europe (CE) which share a long socialist history. The objectives of the paper are to collect data on both CA and CE regions and examine relationships between Human Development Index, Global Innovation Index, Gender Inequality Index, and Global Gender Gap. The relevance of actions and initiatives to promote gender equality in regions is emphasized. To consider the problem from the point of view of theory, we did a literature review of sociological, economic, and educational studies on gender and the formation of gender stereotypes using the Web of Science and Scopus databases and the Mendeley and Research Gate social networks. A comparative analysis of quantitative data of secondary information was carried out based on information from the countries of Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) and Central Europe (Czech Republic, Hungary, Poland, and Slovakia). The study uses a quantitative correlation method. Countries with a high gender gap are expected to have lower human development and innovation levels. Central Asian countries have more significant gender gaps and gender inequalities than Central Europe. The value of the study lies in the attempt to recreate the big picture regarding the existing gender gaps in the countries with emerging economies, covering countries of Central Asia and Central Europe. Agencies of countries with emerging economies can use the study results to analyze scenarios and forecasts to develop labor markets and elaborate policies and programs to combat gender inequality.

Keywords: Gender, Gender Stereotypes, Global Gender Gap, Employment, Gender Inequality Index, Human Development Index

SCSTI: 23.47
JEL Code*:* D19, M12, J16

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1. INTRODUCTION

The fight against gender inequality is one of the essential issues not only from a social point of view but also from an economic one since the dominance of muscularity in society can lead to low employment of women in the skilled labor market. The choice of a particular profession, hiring, and promotion of the career ladder result from conscious and unconscious gender stereotypes formed under the influence of traditional family culture. The issue of identity and difference has become a familiar subject of theoretical discussion and empirical analysis in women's and gender studies (Fernandes, 2004), and economic parity is one of the main challenges to achieving gender equality worldwide (Medina-Claros et al., 2021). Over the past century, women in developed countries have made significant progress in the labor market, but persistent gender pay and employment gaps remain resilient (Olivetti & Petrongolo, 2016). Despite changes in women's education levels and gained work experience, the convergence of the gender wage gap slowed in the 1990s and stalled in the 2000s (Cha & Weeden, 2014).

The status of Asian women depends on marital status and children. Usha (2016) argues that the persistence of the patriarchal, exploitative social order and structural inequalities inherent in Central Asian societies disproportionately influence women.

A recent survey conducted in Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Kazakhstan, found that gender stereotypes are more potent in Kazakhstan compared to Central and Eastern Europe (Lipovka & Buzady, 2020). In Central Asian countries, women are less likely to be employed in the formal economy. 42% of women compared to 32% of men work in the informal economy (SDG Indicators, 2019). As a result, women are more likely than men to experience poverty.

Gender stereotypes and conservative attitudes toward family responsibilities continue to be supported in Asian societies. The resurgence of traditional gender stereotypes, limited access to the decision-making process, and insufficient attention to gender issues by the region's states push women to the background (Usha, 2016).

Gender disparity in the workplace has been debated and studied for decades. Notwithstanding advancements, such as more women are educated, gender employment gaps persist. These problems necessitate a detailed literature evaluation. An analysis of the existing literature showed a knowledge gap about the impact of gender stereotypes and gender inequality on the position of women in the CE and CA regions, which are united by a common socialist past and undemocratic governments. The study found a strong correlation between human development indicators, innovation, gender inequality, and gender gaps. The study aims to study gender inequality in countries with a common socialist past. The study's objectives are to collect and compare information on the CA and CE countries, conduct a correlation analysis between indicators of human development, innovation, gender inequality, and the gender gap. The study also examines the factors contributing to gender inequality and emphasizes the importance of measures and programs to promote gender equality in Central Asia and Central Europe. By achieving the listed objectives, the study intends to add to the knowledge of gender inequality in emerging economies and shed light on the possible solutions.

2. LITERATURE REVIEW

Theoretical viewpoints, empirical studies on the presence and impacts of gender discrimination, and research on strategies to eliminate gender inequality make up the literature on gender inequality in the workplace. Eagly and Koenig (2021) believe that stereotypes arise due to distributed social roles based on defined attributes like gender, race, and age. In turn, the stereotype does not allow them to go beyond a particular role, and the vicious circle closes, preventing them from taking on a new role. Stereotypes reinforce gender roles and restrict

women's workplace development. Eagly and Koenig (2021) suggest that instead of "directly attacking" stereotypes in people's minds, a more effective strategy consists of "policies and programs that change the distributions of category members in roles, thereby changing stereotypes at their source."

Francesconi and Parey (2018), using data from six cohorts of German university graduates, estimated "the extent of gender gaps in college and labor market performance twelve to eighteen months after graduation": the gender gap in full-time monthly earnings was about 20 log points. In most European countries, women earn only 60 to 75% of men's wages, and the average gender gap in pensions in the 28 member states of the European Union (EU) is as high as 39% (Ólafsdóttir, 2021).

Based on a sample of 42,638 respondents from Central and Southern Europe and North and South America, Merten (2005) found a significant relationship between culture and gender and a positive correlation between the indicator of gender empowerment and gender differences. Ólafsdóttir (2021) believes that equality is far from reality despite improving women's legal status in Europe.

Four replica studies by Cuddy et al. (2015) confirm Williams & Best's (1990) findings on gender stereotypes in 26 countries based on an analysis of cross-national data on gender stereotypes. The findings of Cuddy et al. (2015) support the cultural moderation hypothesis of gender stereotypes. This hypothesis is supported by the significant study by McGuire et al. (2021), who concluded that to arouse girls' interest in science and mathematics, it is necessary to apply career aspiration motivation, thereby challenging gender stereotypes. According to Meho (2021), the gender gap remains highly disproportionate in the biological and life sciences, computer science, and mathematics.

Recent studies on gender stereotypes show that their formation occurs mainly in the family, which are then fixed in public institutions. Findings from Muntoni and Retelsdorf (2019) support the suggestion that parental gender stereotypes play an important role in perpetuating gender differences. A longitudinal study by Starr and Simpkins (2021) found a significant positive association between parental and adolescent stereotypes. The social cognitive theory argues that children learn gender stereotypes through gender information (Seitz et al., 2020), which means that both school and university have an impact. A study by Cho and Jang (2021) shows a high correlation between gender role stereotypes and patriarchal family environments. From this point of view, Rubio-Marín (2015) describes the Scandinavian experience of overcoming traditional gender representations and stereotypes built around them by bringing fatherhood to the fore while maintaining the importance attached to care and reproduction.

Hermes (2011) argues that combating gender stereotypes should be done through education and the media. Presently, access to education and the media depend on access to the Internet. Gender equality in Internet access is increasingly recognized as a development goal (Fatehkia et al., 2018). Access alone is not enough, and women need freedom of action and the ability to use access (Mariscal et al., 2019). If social change does not interrupt the vicious circle, adherence to typical social roles will continually reproduce existing stereotypes (Eagly & Koenig, 2021). In our opinion, the reproduction of a vicious circle is doomed in societies with an advanced innovative culture to which men and women should contribute. The development of science, technology, engineering and mathematics (STEM) requires qualified professionals in these areas. However, in some areas, women's representation does not reach 30% of the total (Verdugo-Castro et al., 2022). The more women are involved in STEM - the more innovation is expected. It is important to note that women and men approach innovation differently, and there is no single recipe for practical innovation (Gligor et al., 2022). A study by Mendonça and Reis (2020) sheds light on gender differences in the use of innovation. It concludes that while men innovate more, female innovators are no different from male innovators. Lipovka et al. (2021) believe that in

organizations, women leaders are more oriented to build a working environment and motivate the innovative activities of their subordinates. The gender diversity of managers in organizations has a "double positive effect" as women prefer to build connections with women, and men tend to collaborate with men (Mendoza-Silva, 2021). Therefore, STEM education for women can potentially revolutionize employment and performance.

Search engines (SE) can perpetuate known gender stereotypes and have been found to influence users accordingly (Fabris et al., 2020). The fact that formed gender stereotypes have a powerful impact on human life is confirmed by artificial intelligence experiments (Ahn et al., 2022). Despite the availability of new technologies, there continue to be socio-cultural norms that limit access for women (Mariscal et al., 2019). Even the gender gap in prestigious scientific awards results from demographic inertia and other factors that merit further study (Meho, 2021). The results of a survey of 287 Spanish women and men analyzed using multivariate regression analysis show that the perception of a lack of equality increases the gender gap, even if the country has policies aimed at closing the gender gap in terms of women's role in the family (Ilie et al., 2021).

Gender stereotypes formed in early childhood continue to influence people's decisions in school, college, university, and the workplace. Thus, the family and social institutions determine the views of women and men, which ultimately has many consequences both for the individuals themselves and for society as a whole. Many Asians still believe that a woman's proper place should be in the family, primarily responsible for household chores and caring for her husband and children (Tang, 2016). The study of gender stereotypes in society is essential from a sociological, cultural and economic point of view, which can manifest itself not only in the imbalance of the labor market but also in low employment among women, lower incomes and lack of career growth. For example, Asian women are more likely to work part-time and be unemployed or part-time, especially in adverse economic conditions (Tang, 2016).

Teelken et al. (2019) found "micro-political practices" associated with hiring and promotion, and the authors explain this by unconscious stereotypes that permeate micro-political practices. Pedersen & Nielsen (2020) found evidence of employee decision bias due to gender stereotyping. According to Ólafsdóttir (2021), European women have less access to economic assets: they possess less property, often occupy precarious and low-paid jobs, and continue to suffer disproportionately from poverty and poverty employment discrimination. Nevertheless, Medina-Claros et al. (2021) find no evidence of a gender gap in promotions. Moreover, this is not surprising because it is well known that women can quickly build communication.

Meanwhile, Evans et al. (2021) argue that empirical evidence does not support the hypothesis that a reduction in the gender gap in school education consistently results in a reduction in the gender gap in labor force participation. We believe a close correlation between school education and the gender gap is difficult to identify, and more research is needed here. However, Evans et al. (2021) failed to record five facts.

1. Women are more educated in all countries today than 50 years ago.
2. In most countries, women remain less educated.
3. In many countries with low levels of education, the gender gap widened as the number of boys in school increased and then narrowed as girls enrolled.
4. The gender gap rarely persists in countries where boys achieve a high level of education.
5. Fifth, in the youngest cohorts in some regions of the world, women are more educated than men.

The first, third, fourth, and fifth statements are promising and indicate positive trends in the field of gender.

3. METHODOLOGY

In this study, gender inequality in Central Asia and Central Europe was compared using quantitative secondary data. We gathered pertinent articles from the Mendeley and ResearchGate social networks as well as those included in the Scopus and Web of Science databases and concentrated on sociological, economic, and educational aspects of gender imbalance. Because of a lack of information from Turkmenistan, we focused on Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan. The Visegrad Group is an association of four states, represents the countries of Central Europe: Poland, the Czech Republic, Slovakia, and Hungary. These nations are compared to Central Asian countries because these both regions have emerging economies and similar socialist experiences.

The theoretical framework of the paper is a Social Role Theory (Eagly, 2013), according to which, gender stereotypes that are commonly accepted arise due to a society's inherent gender labor division. Stereotypes that associate agency with men and communion with women have been developed in western societies due to men's increased participation in paid jobs of more power and status and the disproportionate assignment of nurturing tasks to women. It is important to note that the gendered division of labor also grants men and women differing skill sets. Therefore, "societal stereotypes about gender" (Eagly & Wood, 2012) are "perpetuated through a vicious cycle" and cause cognitive biases leading to prescribed social roles (Eagly & Koenig, 2021)

Analysis of secondary information on the research topic allowed the authors to formulate a hypothesis: In transition economies, gender gap and gender inequality indicators are highly correlated with human development indicators and innovation rates.

To test the hypothesis, we conducted a correlation analysis between four indices - Gender Inequality Index, Global Gender Gap, Human Development Index, and Global Innovation Index, of which the last two are related to the quality of life, people's opportunities to be realized, and the state of the labor market. These variables were chosen on the grounds of relevance, significance, comparability, and data accessibility. These metrics are essential for measuring and comprehending social, economic, and cultural issues. The disparities in access to resources and opportunities by gender are reflected in the gender gap and gender inequality indices. On the other hand, human development and innovation rates offer perceptions of the standard of living, development of the economy, and advancement of technology. These factors significantly influence policies provided and explain how the vicious cycle could be broken. Better economic performance, social stability, and human rights can result from reducing gender disparity and the gender gap. Meanwhile, raising human development indicators and innovation rates can promote social well-being, sustainable development, and global competitiveness. These characteristics can also be contrasted across different regions, countries, and times. It makes it possible to benchmark, monitor, and assess progress (regress) over time. Another point is accessibility to all listed data.

4. FINDINGS AND DISCUSSION

Globally, young women are twice as likely as young men to be not educated or trained and unemployed. In 2019, the global NEET (Not in Education, Employment or Training) rate was 31.1% for young women compared to 14.0% for young men (Figure 1).

According to Figure 1, Asia has a high gender gap in NEET, with 48% of young women in 2019 participating in neither education nor employment or training. In 2020, job cuts hit young people harder than older workers. Technical and vocational education and on-the-job training have suffered significant disruptions, forcing many to drop out (SDG Indicators, 2019).

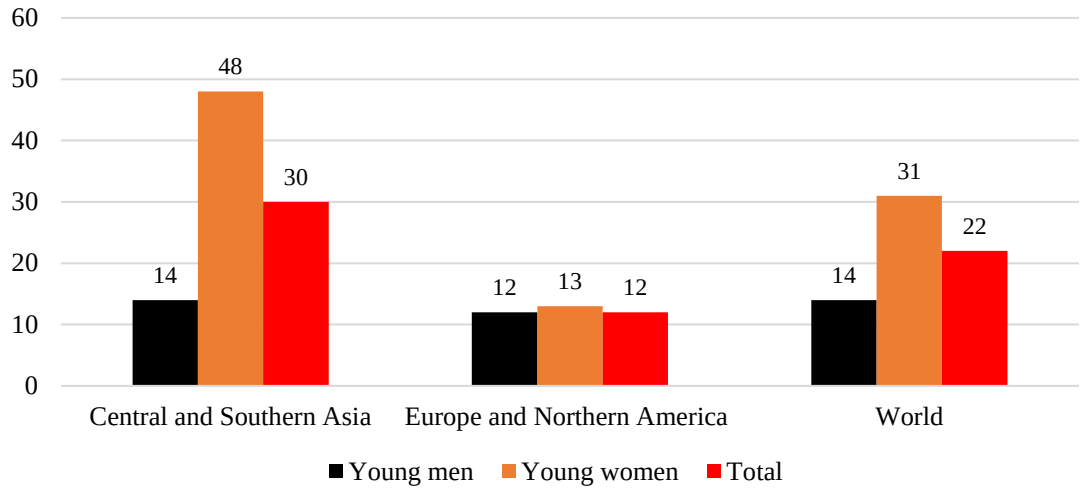


FIGURE 1. The proportion of youth NEET by gender for 2019, in percentage

Note: compiled by the authors on the reference SDG Indicators (2019)

As more women than men were forced out of the labor market during the pandemic, the crisis likely exacerbated the NEET gender gap (SDG Indicators, 2019).

The Gender Inequality Index (2022) is a numerical display of three indicators (reproductive health, empowerment, and the labor market that give information about the country. Reproductive health is measured by the maternal mortality rate and the teenage pregnancy rate. Empowerment and opportunities (empowerment dimension) are measured by the proportion of seats in parliament occupied by genders and the level of secondary and higher education. A higher Gender Inequality Index (2022) indicates discrimination (Table 1).

TABLE 1. United Nations Development Programme: Gender Inequality Index 2021

Rating	Country	Gender Inequality Index
31	Poland	0.109
34	Czech Republic	0.120
41	Kazakhstan	0.161
45	Slovak Republic	0.180
55	Hungary	0.221
56	Uzbekistan	0.227
68	Tajikistan	0.285
87	Kyrgyz Republic	0.370
43	Turkmenistan	0.177
Note: compiled by the authors based on the reference Gender Inequality Index (2022)		

According to Table 1, among countries with transit economies, the most unfavorable situation with discrimination is observed in such countries as Uzbekistan, Tajikistan, and the Kyrgyz Republic. The lowest rates are typical for Poland, the Czech Republic, and Kazakhstan. There is no information available for Turkmenistan. Mariscal et al. (2019) emphasize the need to assess the global gender gap and develop meaningful indicators that support the development and implementation of effective policies. The Global Gender Gap Index, developed by the World Economic Forum, measures differences in resources and opportunities due to gender and is

calculated based on four categories: economic participation and economic opportunity, education, health and survival, and political empowerment (Table 2).

TABLE 2. World Economic Forum: Global Gender Gap Report 2021

Rating	Country	Global Gender Gap
65	Kazakhstan	0.719
67	Slovak Republic	0.717
76	Czech Republic	0.710
77	Poland	0.709
86	Kyrgyz Republic	0.700
88	Hungary	0.699
114	Tajikistan	0.650
-	Uzbekistan	0.6913
Note: compiled by the authors based on the reference World Economic Forum (2022)		

According to Table 2, the most favorable situation with the gender gap index is observed in Kazakhstan, Poland, Czechia, and Poland ranked 65th, 67th, 76th, and 77th. The Kyrgyz Republic is 86th, Hungary is ranked 88th, and Tajikistan is 114th. No data is available for Turkmenistan; for Uzbekistan, the most recent data is available only for 2009 (Hausmann et al., 2009).

Castellano and Rocca (2020) examine the causes of the gender gap in the labor market based on the Gender Gap Index and Labor Market Index and according to the study, gender disparities are found everywhere, even regarding time spent at work in response to family commitments. Petrongolo and Ronchi (2020) also point out that commuting can be a driver of the gender pay gap, as it can make women feel an aversion to commuting time. Similar gender gaps also occur in high-income countries. According to the authors, the service economy, which is particularly important for women's employment prospects, can positively influence the reduction of gender gaps. Growth in the share of services explains at least half of the change in women's work hours (Olivetti & Petrongolo, 2016). The level of economic inactivity among women speaks volumes regarding a country's social fabric, attitudes toward working women, and family structure in general (Key Indicators of the Labour Market, 2022).

The Human Development Index (HDI) is a United Nations indicator used to quantify a country's achievements across various indicators (Human Development Index, 2022). The health dimension is measured by life expectancy at birth; the education dimension is measured by average years of schooling for adults aged 25 and over and expected years of schooling for school-age children. The standard of living is measured by gross national income per capita. This indicator can be used to judge the level of literacy, access of the rural population to electricity, income inequality, and access to the Internet.

HDI is calculated by UNDP experts and a group of independent international experts based on analytical developments and statistical data from national institutions and international organizations.

The Human Development Index (2022) ranges from 0 to 1.0, where 1.0 is the maximum possible human development. The HDI has four levels: very high human development (0.8–1.0), high human development (0.7–0.79), medium human development (0.55–0.70), and low human development (below 0.55)

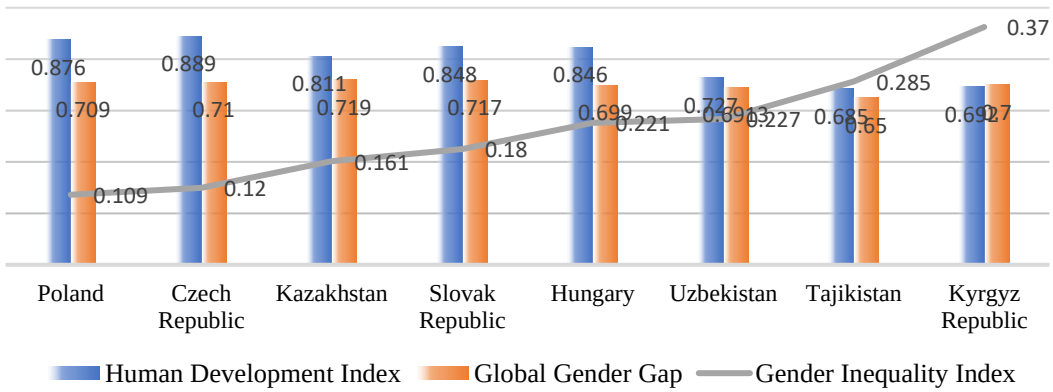
According to obtained results, a very high level of the human development index is typical for Czechia, Poland, Slovakia, Hungary, and Kazakhstan (56th place). A high level of the Human Development Index is observed in Uzbekistan (101st place) and Turkmenistan (91st place); an average level in Kyrgyzstan (118th place) and Tajikistan (122th place) (Table 3).

TABLE 3. United Nations Development Programme: Human Development Index 2021

Rating	Country	Human Development Index	Limits	Level
32	Czech Rep.	0.889	0.8–1.0	Very high level
34	Poland	0.876	0.8–1.0	Very high level
45	Slovak Rep.	0.848	0.8–1.0	Very high level
46	Hungary	0.846	0.8–1.0	Very high level
56	Kazakhstan	0.811	0.8–1.0	Very high level
91	Turkmenistan	0.745	0.7–0.79	High level
101	Uzbekistan	0.727	0.7–0.79	High level
118	Kyrgyz Rep.	0.692	0.55–0.70	Average level
122	Tajikistan	0.685	0.55–0.70	Average level
Note: compiled by the authors based on the reference Human Development Index (2022)				

The gender gap varies depending on the country's socio-cultural, legal, and economic conditions. A global indices study shows that differences between countries in the gender development gap are more pronounced than in other dimensions (Medina-Claros et al., 2021).

A study by Salis and Flegl (2021) found that the Human Development Index is the "most influential factor" in the context of the gender gap; moreover, the more developed the country - the smaller the gender gap in entrepreneurship. At the same time, men own much more wealth than women, and the lower the social status - the smaller the gender differences in wealth (Meriküll et al., 2021). There is significant relationship between gender indices and the Human Development Index (Figure 2).



F**IGURE 2.** Relationship between Gender Inequality Index, Global Gender Gap, & Human Development Index

Note: compiled by the authors based on references Human Development Index (2022), Gender Inequality Index (2022), World Economic Forum (2022)

In Figure 2, the symmetry observed between the Gender Inequality Index, Global Gender Gap, and the Human Development Index: the higher human development - the lower the Gender Inequality Index.

To determine the tightness of the relationship between the indices, we calculated the Spearman correlation coefficients using the SPSS program (Table 4).

TABLE 4. Empirical values of correlation analysis by Spearman

	Global Gender Gap	**Gender Inequality Index**
Human Development Index	0.857*	-0.881**
Global Gender Gap	1	-0.881**
Statistically significant at * - p<0,05; ** - p<0,01; *** - p<0,001		
Note: calculated by the authors		

According to Table 4, there is a close correlation between the three indicators. It is important to note that for the sake of completeness, we used the Uzbekistan's Global Gender Gap for 2009 due to the lack of recent data.

The 2022 Global Innovation Index analyzes the most recent global innovation trends and ranks the innovation ecosystems of 132 economies, highlighting strengths and weaknesses in terms of innovation and certain gaps in innovation performance. To compare global innovation indices, we combined data of the Central Europe and Central Asia countries (Table 5).

TABLE 5. World Intellectual Property Organization: Global Innovation Index 2022

Rating	**Country**	**Global Innovation Index**
30	Czech Republic	42.8
46	Slovak Republic	34.3
38	Poland	37.5
34	Hungary	39.8
83	Kazakhstan	24.7
82	Uzbekistan	25.3
94	Kyrgyz Republic	21.1
104	Tajikistan	18.8
Note: calculated by the authors		

According to Table 5, the countries of Central Europe are ahead of the countries of Central Asia in the Global Innovation Index and are in the range from 37.5 to 42.8. Among the countries of Central Asia, Uzbekistan (25.3) is the most innovative country, the least is Tajikistan (18.8), which ranks 104th in the world out of 132 countries that have adopted participation in the rating.

Next, we calculated the correlation coefficients using Excel with the addition of the Global Innovation Index since we firmly believe that innovation depends on the level of human development (Table 6).

TABLE 6. Correlation analysis results in Excel

	Human Development Index	**Global Gender Gap**	**Gender Inequality Index**	**Global Innovation Index**
Human Development Index	1			
Global Gender Gap	0.69527015	1		
Gender Inequality Index	-0.87357	-0.53206	1	
Global Innovation Index	0.922153	0.538586	-0.71749	1
Note: calculated by the authors				

According to Table 6, the closeness of the relationship between all indices varies from moderate (-0.53206; 0.538586) and strong (0.69527015; -0.71749) to very strong (0.922153). For example, the Global Gender Gap indicator calculated by the World Economic Forum has a moderate negative (-0.53206) correlation with the Gender Inequality Index, a strong positive correlation (0.69527015) with the Human Development Index, and a positive medium correlation (0.538586) with the Global Innovation Index. The correlation coefficients confirm our hypothesis, that in transition economies, gender gap and gender inequality indicators are highly correlated with human development indicators and innovation rates.

5. DISCUSSION

The Central Asian labor market is characterized by gender trends such as female employment in public sector jobs (education and healthcare) with low wages and employment of males in technical sectors (construction, industry, extraction of natural resources, IT) with high wages and pays.

Occupational imbalance contributes significantly to the formation of the gender gap. It is supported by the results of a study by Bannier et al. (2019), who, using nationally representative data from the United States, showed that women have poorer knowledge of bitcoin characteristics than men. Therefore, closing the gender gap in financial literacy is essential. While progress has been made in increasing access to digital technologies, there are still significant challenges to be overcome to ensure that women participate in the transition to a digital society, which will undoubtedly increase productivity and social development (Mariscal et al., 2019).

From our point of view, the involvement of women in modern digital technologies depends on the innovative culture in society and the STEM professions' popularity among women. Thus, Hoang, Nahm & Dobbie (2021), after analyzing the links between gender, innovation, and labor productivity concluded that in order to enhance economic growth, adequately formulated policies related to women's entrepreneurship are needed, and McGuire et al. (2022) suggest a greater focus on innovation and expansion of support tools and methods for solutions to gender issues.

A study by Hussain et al. (2015) showed that the formation of gender stereotypes and gender roles in the family sphere is the result of "gender socialization, a differentiated family environment and a differentiated role of parents to children." In turn, the gender roles formed in the family continue to be performed in public institutions and are crosscutting via the family-kindergarten-school-university organization. For example, Teelken, Taminiau & Rosenmöller (2019) revealed the impact of gender stereotypes on the gender gap in the process and the results of selecting candidates for vacant positions.

Even though COVID-19 has launched a large-scale digital transformation in society (Brauweiler & Yerimpasheva, 2021), it is essential to note that the pandemic has also significantly contributed to widening gender gaps worldwide. Thus, the COVID-19 pandemic, according to Collins et al. (2020), created problems for women's working hours and employment. Thus, mothers with young children cut their working hours four to five times as much as fathers, leading to a 20–50 per cent widening gender gap in terms of hours worked (Collins et al., 2020). The COVID-19 pandemic has increased women's domestic and childcare work beyond the threshold, creating a gender gap in productivity and job satisfaction (Feng & Savani, 2020).

UN data confirm it: the decline in women's employment in 2020 was 5.0%. Women are more likely to leave the labour market to care for children, further widening gender gaps in labour force participation rates (SDG Indicators, 2019).

Despite policy changes and progress made by European women and girls, gender inequalities, traditional gender roles, and gender stereotypes persist in all areas of life, especially at home, in education, in the media, and the justice system (Ólafsdóttir, 2021).

It should be noted that the employment of women in the labour market is a multifaceted problem, and its solution includes economic, political, educational, cultural, social, psychological, and even technical aspects.

Implications: The study's results can be used to predict the state of the labour market, considering traditional cultures that reproduce gender stereotypes. This study links two Eurasian regions, represented by countries with transit economies, with different traditional cultures, separated by thousands of kilometres, a long time under the influence of the Soviet Union, and striving to overcome gender inequality..

6. CONCLUSIONS

The paper's objectives have been to study gender inequality in CA and CE countries, compare mined information, and conduct a correlation analysis between human development indices, innovation, gender inequality, and the gender gap. Despite significant gender gaps in the countries of CA and CE, women are actively involved in economic life and have certain economic opportunities. However, the lack of democratic freedoms in CA countries significantly fuels women's traditional family roles, and naturally, economic empowerment for women is needed to overcome gender gaps. Understanding the problem by decision-makers and stakeholders would provide an impetus for professionalizing women. The deteriorating situation with gender inequalities has become aggravated by the global crisis and the consequences of the COVID-19 pandemic.

The literature on gender inequality in the workplace highlights the negative role of gender stereotypes in shaping gender-based disparities in pay, employment opportunities, and career advancement. At the same time, empirical research has proved that gender inequality and gender gap variables correlate highly with human development and innovation rates. Further research should focus on identifying effective interventions and strategies to reduce gender inequality in the workplace. Important to note that developed countries demonstrate low female unemployment, minimal salary gap, and sustainable economic growth that expands employment opportunities for women. Every positive result in the labor market can be highlighted as a good practice and applied in less developed countries.

The theoretical meaning of the article is to update the importance of understanding the vicious circle mechanism, which manifests itself in regional stereotypes and ideas about gender roles influencing women's employment in the labor market. Instead of trying to change people's minds, it is necessary to pursue an effective social policy and implement programs (Eagly & Koenig, 2021) to support women's businesses, expand women's employment, involve women in STEM, and change their social roles.

The politicians of Central Asia and Central Europe should reconsider their gender policy to unlock and use better the gender potential of their economies since the traditionalist stereotypes negatively shape the gender ideals of the population and build barriers to sustainable development.

Limitations: Some countries (Turkmenistan and Uzbekistan) have incomplete and outdated stat information. Also, when comparing Central Asia and Central Europe, we proceeded from a similar socialist experience and did not consider cultural differences between countries and regions.

Further Research and Perspectives: The authors plan to conduct primary qualitative and quantitative research on the prospects of gender gaps in countries of Central Asia.

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Exploring the Impact of Market Orientation and Innovation on Firm Performance in the Beverage Industry: The Mediating Role of Innovation

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Abstract

This study examined the relationships between market orientation, innovation and firm performance. Beverage industry firms operating in Georgia were chosen as the sample. The study employed the partial least squares structural equation modelling (PLS-SEM) path model to test the hypotheses. The research data were obtained from the 319 employees of 18 businesses by using the survey technique form. According to the findings, market orientation and innovation have a significant and positive relationship with firm performance. A significant and positive relationship was also found between market orientation and innovation orientation. Furthermore, it was found that innovation is the significant mediator between market orientation and firm performance. The findings suggest that beverage firms in Georgia strongly perceive themselves as market-oriented and consider innovation as a crucial factor in enhancing their performance and competitive advantage. Therefore, it is recommended that beverage companies invest more in innovation and foster a culture of innovation within their organizations. Collaboration with other businesses, especially technology companies, could also lead to new ideas and innovations. Additionally, since the export of beverage companies in Georgia is on the rise, firms should focus on expanding their markets through exports and potentially collaborate with other businesses in other countries.

Keywords: Market Orientation, Innovation, Firm Performance, Beverage Industry, Business, Georgia

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1. INTRODUCTION

In today's world, where competition is increasing and environmental conditions are constantly changing, the success of enterprises depends on their ability to remain competitive (Jones et al., 2018). Although it is known that many factors are effective in achieving this goal, it is stated that it has become an important issue for organizations to direct their culture in a market-oriented way and to create superior values for their customers (Guo et al., 2018).

When the literature is examined, it is seen that the first studies on market orientation primarily focused on defining the concept (Crick, 2021). The idea has been the subject of management-centred studies since the 1990s (Atuahene-Gima, 1996; Crick, 2021; Deng & Dart, 1994; Gray et al., 1998; Jaworski & Kohli, 1996; Kohli et al., 1993).

It is argued that a market-oriented firm is an open system in constant contact with its environment, and such an open system provides numerous positive results to the business. One of the most important results is the increasing effect of market orientation on firm performance (Udriyah et al., 2019).

Firm performance expresses the degree to which the business strategies reach the targets at the end of a certain period, in other words, the success level of the business (Tangen, 2004). Many criteria can be considered in determining firm performance. According to El-Mashaleh et al. (2007), some of these criteria are; costs, productivity, growth, customer satisfaction, prestige, and quality of working life. According to Marqués and Simón (2006), in measuring firm performance, profitability, increase in market share and quality of goods/services, innovation, entrepreneurship characteristics, management structure, human capital, employment increase, outward opening, environmental factors, strategic preferences and industry indicators such as structure can be used.

Many researchers working on market orientation (Charles et al., 2012; Long, 2013; Olavarrieta & Friedmann, 2008; Palacios Marqués & José Garrigós Simón, 2006; Rong & Wilkinson, 2011; Wei & Lau, 2008) argue that there is a positive relationship between market orientation and firm performance. On the other hand, some researchers (Han et al., 1998; Jyoti & Sharma, 2012) suggest that the positive relationship between market orientation and organizational performance is indirect, stating that it depends on changes in the market, innovation, technological changes, competitive environment, and environmental conditions.

On the other hand, innovations provide a competitive advantage to enterprises. Innovation is a powerful weapon in increasing company profit (Artz et al., 2010), and market orientation is related to enterprises' innovation power (Julyanthry et al., 2021) can improve the long-term performance of enterprises. In the OECD Manual Guideline (OECD & Eurostat, 2018), innovation activities are considered scientific, technological, organizational, financial, and commercial activities that guide technologically new or improved products or processes. With this feature, it is argued that product and process innovation improves organizational innovativeness, and organizational innovation improves firm performance (Camisón & Villar-López, 2014). According to Perdomo-Ortiz and others (2009), innovation is related to new marketing methods, organizational change, and human resources; Dereli (2015) refers to the dimension of innovation related to the competitive structure in the market. Khraisha and Arthur (2018), on the other hand, focused on the financial role of innovation and stated that financial innovations increase transparency in financial markets, reduce transaction costs, facilitate account relocation, and facilitate data analysis and financial planning.

In this research, the relationships between market orientation, innovation, and firm performance were examined from the perspective of the beverage industry in Georgia. Furthermore, the role of innovation was tested as a mediator factor between market orientation and firm performance. The market orientation studies focus on businesses operating in different sectors in the related literature. Similarly, many innovations and firm performance studies focus on businesses in different sectors. However, finding a study dealing with the mediator effect of

innovation in the relationships between market orientation and firm performance was impossible. The study contributes to the related literature in this respect.

2. LITERATURE REVIEW

2.1 Market Orientation

Since the original work of Kohli and Jaworski (1990), in which authors conceptualized and presented its premises and results, the concept of market orientation has become an attractive topic that draws the attention of researchers in the business literature. First, as Shapiro (1988) argues, orientation is not solely of interest to the marketing function. Creating and disseminating enterprise-wide market intelligence and being able to respond quickly requires the cooperation of different departments. From this perspective, the marketing orientation concept is rather limiting and misleading. Second, the term marketing orientation places too much meaning and responsibility on the marketing function within the organization (Baines et al., 2017). However, the orientation takes place by adopting functions other than marketing. Therefore, with the concept of market orientation, the realization of activities is not only limited to the control area of the marketing department but also becomes a common responsibility of all organizational functions. Additionally, market orientation focuses on markets that include customers and the forces that affect them (Gruber-Muecke & Hofer, 2015). This view is in line with the dimensions of "management of markets" proposed by Park and Zaltman (1987) to show the limits of adopted paradigms and "competitor orientation" suggested by Slater and Narver (2000). The broad meaning of the concept of market orientation has emerged due to the concept being handled from many different aspects.

The literature explains the concept of market orientation from behavioral (Kohli & Jaworshki, 1990) and cultural (Narver & Slater, 1990) perspectives to create superior customer value. For example, Kohli and Jaworshki (1990) defined market orientation as the collection of market information about the needs and wants of current and future customers, disseminating this information among all functions within the business, and producing a response to these needs throughout the organization. In this context, according to the researchers, market orientation includes three components: (a) gathering market information, (b) disseminating information within the business, and (c) producing market responses. Adopting a cultural perspective, Narver and Slater (1990) broadened the scope of the concept of market orientation by including the dimensions of collecting information about competitors and developing cross-functional cooperation. Market orientation is considered an organizational culture that creates effective and efficient business behaviors necessary to create unique customer value and ensure high business performance continuity. In addition, Narver and Slater (1990) state that market orientation consists of three basic behavioral components: (1) customer orientation, (2) competitor orientation, and (3) inter-functional coordination. Customer orientation is about understanding customers, responding to their needs appropriately, and constantly creating superior value for them in the light of market knowledge. Competitor orientation is about the ability of businesses to monitor the activities of their current and potential competitors constantly, obtain information about their products and services, understand their future activities and make appropriate moves to protect themselves and create superior values.

Coordination between functions is related to the combination of employees and other resources in a joint effort to create customer value and to act in harmony throughout the enterprise (Zhu et al., 2019). Carpenter (2017) who carried out their research with the same perspective, argued that market orientation and customer orientation mean the same thing and reflect a cultural focus. Ruekert (1992), who deals with market orientation from a strategic point of view, mentioned three components in his study. These are (1) obtaining and using customer

information, (2) developing a strategic plan based on the information obtained, and (3) implementing the strategic plan to satisfy customer needs. Accordingly, market orientation is a marketing approach's cognitive, cultural, and behavioral aspect that determines its focus on customers (Morgan & Vorhies, 2018). Jaworski et al. (2000) have argued that market orientation includes two approaches, one that follows the market and one that directs the market. The basic view in the market-following approach is to understand the behaviors and preferences of the actors in the market and to give reactions. In the market-directing approach, improving the enterprise's competitive position and proactively changing the market structure, the roles of actors, or the behavior of consumers is possible. As a result, market orientation combines both reactive and proactive behavioral approaches. The difference between these two approaches is in timing. While a reactive approach to the market states that the business is in the position of following the market, an understanding that the current market structure is accepted and not intended to change the market behavior is dominant. On the other hand, the proactive approach states that the business is directing the market and includes predicting and influencing the market structure.

2.2 Firm Performance

Firm performance is the results obtained by moving its competitive strategies and resources in harmony to achieve specific goals that the firm has determined beforehand or revised later or the gains it provides during the implementation process (Goksoy et al., 2012). Researchers in management science emphasize the necessity of performance measurement for businesses not to lose their mobility and flexibility, fall into rigidity and take proactive roles in developments and innovations (García-Sánchez et al., 2018). Performance measurement determines the extent to which resource control and organizational goals are achieved, as well as (1) identifying the strengths and weaknesses of the organization and its future orientations (Stone et al., 2020), (2) identifying the processes underlying the success or failure experienced (Ayatse et al., 2017), (3) revealing the differences between desired and realized values and directing managers to make decisions following strategies in order to reduce or eliminate these differences. Researchers underlined that the concept's dimensions should be determined by emphasizing the effect of firm performance on the behavior of external stakeholders (investors, customers, society) and individuals with an organizational role. In previous studies, performance was measured utilizing financial indicators that reflect the historical position of the enterprise. Therefore, financial performance has been the focus of studies. However, later on, it was realized that financial indicators did not produce information about the long-term performance of the enterprise, and non-financial performance indicators were brought to the fore (Raucci et al., 2020). On the other hand, recent studies consider the enterprise's financial, market and innovation performance together in performance measurement.

Market performance shows the ability of the business to create value and includes elements such as customer retention rate, market share growth rate, and sales force (Guerola-Navarro et al., 2021). In general terms, marketing performance (the success of the marketing department and marketing activities) has a more limited meaning by expressing the success of a business in the market, and organizational performance (the performance of many factors such as finance, marketing, human resources, production, innovation activities). Accordingly, businesses can contribute to the increase in organizational performance as a whole in the ratio of their performance in the market (Sleep et al., 2020). On the other hand, innovation performance has drawn attention as it is widely accepted among theorists and practitioners that innovation is essential for the long-term survival of the enterprise and its place as an important factor in the market. Rua (2018) argued that businesses can survive in the rapidly changing business environment through intangible resources such as innovation skills. Inkinen et al. (2015) showed

that innovation performance is related to knowledge and the actions of individuals who manage this knowledge within the business. Faced with competitive environments, today's firms must pay more attention to researching competitive behavior and strategies under different environmental conditions. Competitive advantage indicates that the company has a successful strategy. For this reason, companies with successful competitive performance determine their market shares and profitability and gain significant power (Wijayanto et al., 2019). Performance also refers to the act of carrying out the financial activity. From a broader perspective, it reflects the extent to which financial targets have been achieved. It refers to the process of financially measuring firm policies and operating results and measuring the overall financial health of a given period. In addition, this measurement makes it possible to compare similar companies in the same industry or sector (Jenter & Kanaan, 2015). Another indicator of measurement of firm performance is marketing performance which is an important element of the company performance. This metric is essential in measuring the company's performance and marketing success. Gupta et al. (2016) stated that innovative marketing ideas contribute significantly to the company's competitiveness. He also emphasized that a company's competitiveness demonstrates its ability to capture the market by using innovative marketing ideas through the business relationship. Therefore, the firm's innovation and marketing strength can be considered key to attracting customers' attention.

2.3 Firm innovation

Innovation is a new market or supply source, a new product with no current recognition for the consumer. According to Dereli (2015) innovation is a commercial method that creates a new financial structure. According to Kahn (2018), innovation is the process of transforming opportunities into new ideas and making the use of these new ideas active. According to Schumpeter (1934), innovation is divided into five types. This classification includes; the entry of new products into the market, determining and applying new production methods, opening new market networks, discovering and developing new sources of supply for raw materials and other inputs, and revealing a new market structure in the industry (Ateş, 2017).

Product innovation is the launch of a new or improved product. In this sense, by adding radically new technologies to a product, existing technology can be combined with new uses, or some features can be upgraded through new knowledge (Souto, 2015). The innovation process is a new method applied in production, improving distribution techniques or improving previously applied methods and making them more active and dynamic (Krämer & Belz, 2008). Innovation is the internalization of new or improved production methods, which includes product delivery methods (Chiva et al., 2014). In this sense, a process can be improved by changing equipment, changing production organization, combining existing technologies with new uses, or having some features through new knowledge. These can be done directly by significantly improving the production and delivery of new products or through efficiency improvements over the production and delivery of existing products (OECD, 2005). Marketing innovation is a new way of marketing that includes various marketing fundamentals such as product design, packaging, positioning, promotion, and pricing. In this sense, a new marketing technique can create customer focus, reflect customer wishes, appeal to target groups, and penetrate new or existing markets. These techniques generally apply to both new and existing products. Marketing innovation has a variety of tools that create a tremendous competitive advantage. Firms can transform their marketing into a strategic point by redesigning the appearance of their products, diversifying their packaging, changing sales channels, updating their brand image, and redefining the pricing system (OECD, 2005). The Oslo Manual (2005) defines organizational innovation as applying a new method in the firm's business practices, workplace organization, or external relations. This type of innovation is creating an organizational method due to the strategic decisions taken by the top management, which has not been implemented within the company before and will

distinguish the companies from their competitors (OECD, 2005).

3. LINKAGE BETWEEN MARKET PERFORMANCE, INNOVATION AND FIRM PERFORMANCE

3.1 Innovation and firm performance

Many studies on the relationship between innovation and firm performance exist in the literature. These studies provide essential information about the impact of innovation on company performance.

Kemp et al. (2003) examined the relationship between innovation and firm performance, focusing on small and medium-sized firms. As a result of the analysis, it has been determined that the innovation process of small firms is different from that of medium-sized firms. Innovation has been observed to affect firms' turnover and employment growth positively but has no statistically significant effect on firm profitability or productivity. Hassan et al. (2013), studied the effect of innovation types on company performance in their research on manufacturing companies in Pakistan. The research sample group consisted of 150 employees working in manufacturing companies' production, R&D, and marketing departments. Gërguri-Rashiti et al. (2017), to evaluate the changes brought on by the influence of ICT and innovation activities, applied a dynamic approach to examine the use of ICT and innovation activities on company performance. The authors found that a company would engage in innovative activities has been found to improve business performance.

Implementing modern M&A helps companies increase their technical knowledge base, which empowers companies to promote innovation. At the same time, innovation enhances the success of industrial-age businesses (Hanelt et al., 2021).

As a result of the research, it was concluded that innovation types (product, process, marketing, and organizational innovation) have a positive effect on company performance.

Based on the above literature, the following hypothesizes were developed:

H1: Innovation has a significant and positive impact on firm performance.

H2: Market orientation indirectly affects firm performance through the mediating role of innovation.

3.2 Market Orientation and Innovation

For an enterprise to meet the ever-changing customer needs, that business must be able to continuously offer new products and services to its customers (Lee & Yazdanifard, 2015). However, according to Saunila (2016), the ability of an enterprise to achieve these goals depends on the innovation capacity of that enterprise. According to Herman et al. (2018), innovations are significant in terms of the long-term performance of enterprises since innovation is a powerful weapon in achieving competitive advantage and market orientation is related to the innovation power of enterprises. Tülüce & Yurtkur (2015), citing Peter Drucker's work, argue that every business has only two essential functions, namely marketing, and innovation. The authors emphasizes that the purpose of customer creation drives these two main functions, and in this process, market creation, new customer creation, and business social responsibility affect innovation. On the other hand, Naqshbandi & Jasimuddin (2018) draw attention to the relationship between market orientation and innovation orientation in enterprises, arguing that the support of senior management, technology, and knowledge management is the most influential factor in new product development. Chen et al. (2016) also argue that firm performance depends on product innovation shaped by the firm's market share and market conditions. Innovations increase the firm's competitiveness and efficiency by increasing product and service quality. With a similar approach, Madrakhimova (2021) states that tourism

enterprises have a customer-oriented understanding of their new product development efforts, benefiting from a wide variety of sources and methods in the production and evaluation of new products and ideas and cross-cutting that will ensure the transfer of knowledge, experience, and perspectives of all parts of the business to the process. Erdil & Özdemir (2016) also concluded in their research that the collection and use of market-related information and the development and implementation of market-oriented strategies positively affect the enterprise's innovation performance. In addition, they found that the innovation performance of the enterprise is slightly higher than the innovation of the enterprise in the relationship between these variables, and the most substantial relationship is between the collection and use of market-related information and business innovation.

However, some authors have put forward different views on the mark: marketing example, It has been argued that market orientation reduces the innovativeness of the enterprise, pushes it to myopia about R&D, misleads the R&D process, and only focuses on customers and causes lag because it listens to them (Kyriakopoulos & Moorman, 2004; Serna et al., 2013).

In line with these evaluations, the third hypothesis of the research was formed as follows:

H3: Market orientation has a significant and positive effect on innovation.

3.3 Market Orientation and Firm Performance

The phenomenon of market orientation has three pillars: customer orientation, coordinated marketing, and profitability; It is defined as the creation of market information about existing and future customer needs at the organizational level, dissemination of this information among departments, and response to this information (Kohli & Jaworski, 1990). As can be understood from the definition, the concept of market orientation is based on three basic dimensions. The first dimension is the formation of knowledge. This dimension refers to the collection of information that affects the development of customer needs, such as taxes, macroenvironment variables, and competition conditions that change customers' preferences. The second is the dissemination of knowledge. It means providing information exchange by transmitting information about the market to the departments and, thus, a better understanding of customer requests and needs. Responding to information, the third dimension includes completely assimilating customer requests and needs and responding to market requirements at the desired time faster than competitors. Some authors, on the other hand, argue that market orientation consists of three behavioral elements, customer orientation, competitor orientation, and coordinated business functions, and two decision-making criteria, long-term focus and the profit motive, and argue that the most effective behaviors to create value for customers and in this way, create the most effective behaviors. defines it as organizational culture that improves business performance (Slater & Narver, 2000). From this definition, it is seen that Narver and Slater also base their market orientation studies on three dimensions. Customer orientation means that to produce products and services that will create superior value for customers, sufficient information should be collected about them. Competitive orientation means that the company must understand its current and future competitors' strengths and weaknesses and strategies. Inter-functional coordination means that business resources are used in a coordinated way to create the best value for the customer (Varadarajan, 2020). There are similarities between the definitions of Kohli and Jaworski and Narver and Slater. First, in both definitions, market orientation focuses on customers. Second, both definitions emphasize an extroverted orientation. Third, both definitions recognize the importance of responding to customer requests. Finally, both definitions accept that other forces shape the interests of the enterprise's immediate environment and its customers' needs and expectations. Slåtten et al. (2019), on the other hand, argue in their study that market orientation and customer orientation mean the same thing and that market orientation is a reflection of a cultural focus.

According to Udriyah et al. (2019), market orientation affects not directly firm performance but through customer relations and customer information management. Customer information management; It helps to find new products and to focus the management on customer information, thus allowing the company to increase its performance.

A study by Bamfo and Kraa (2019) found that the competitive environment has little effect on market orientation and firm performance. They also stated that the transition to market orientation is time-consuming and expensive. Therefore, switching from the current market structure to market orientation is risky due to constantly changing market conditions and customer preferences. In the same study, they emphasized that the use and sales of new products were higher in groups with high purchasing power than in groups with low purchasing power in the transition to market orientation.

In line with all these evaluations, the fourth hypothesis of the research was formed as follows:

H4: Market orientation has a significant and positive effect on firm performance.

The research framework for the study is represented in Figure 1.

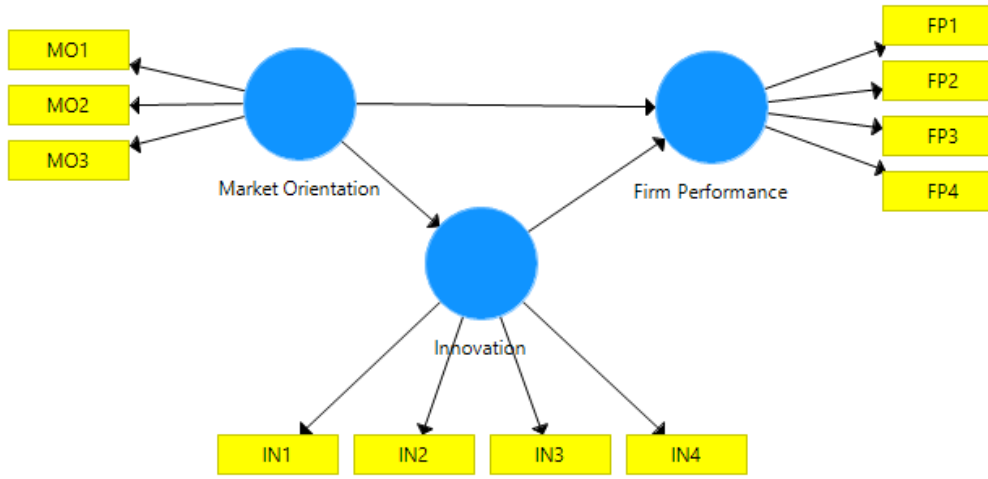

FIGURE 1. Theoretical Framework

Note: compiled by authors

4. METHODOLOGY

The population for the study consisted of the beverage sector of Georgia, including the industrial units specializing in alcohol and non-alcohol beverages. Prior to the survey sample size for SEM was defined based on the Soper (2021)method where the anticipated medium effect size (0.3), with number of latent variables(3) and a number of observed variables(11), and probability level (<0.05), the recommended sample size was defined as 123. In the study, a total of 450 questionnaires were distributed among the employee of the beverage industry; out of which, 319 questionnaires were returned which is more than sufficient for SEM analysis. A pilot study was conducted before data collection to confirm the validity and reliability of the questionnaire. The study's participants suggested numerous changes to the questionnaire. The questionnaire was revised in response to suggestions offered by the pilot research participants. The updated poll was widely disseminated to collect data. The research design's conceptual model's qualities list was utilized to create the questionnaire's items. The responses are scored on a Likert scale of 1 to 7,

with one denoting "strongly disagree", and seven denoting "strongly agree." The information was gathered between October 2022 and December 2022.

Measures

The 4-item scale for firm performance is based on Mashavira et al. (2021). The 4-item scale on firm innovativeness was adapted from Kamaruddeen et al. (2012), and the market orientation 3-item scale was adopted from work (Lado et al., 1998). The final questionnaire is presented in Appendix A.

5. DATA ANALYSIS AND RESULTS

The study employed the partial least squares structural equation modeling (PLS-SEM) path model to test the hypotheses. Initially, to investigate the validity and reliability the measurement model was tested. The structural model was then put to the test the proposed links between the constructs.

5.1 Measurement model results

For the purpose of determining the validity and reliability of the constructs, the measurement model was evaluated. Using Cronbach's Alpha and Composite Dependability ratios, the reliability of the SEM construct's constituent parts was assessed. Based on the results for all factors, Cronbach's Alpha is greater than 0.7, which is strong evidence that the data produced using Peterson's methods are trustworthy (1994). The reliability ratio (Table 1), which demonstrates that all of the variables' values are larger than 0.7, which is regarded as appropriate, verifies the dependability of the indicators (Wasko & Faraj, 2005). Convergent validity further confirmed the correctness and reliability of the data since the Average Variance Extracted (AVE) is greater than 0.5 and the rho A is greater than 0.7 (Gefen et al., 2003). Table 1 displays the results of the Discriminant Validity test, which was performed after applying the Fornell-Larcker standard.

TABLE 1. Reliability, Validity and Loadings

	Loadings	**Cronbach's Alpha**	**rho_A**	**Composite Reliability**	**Average Variance Extracted (AVE)**
FP1	0.826	0.815	0.819	0.878	0.643
FP2	0.769				
FP3	0.817				
FP4	0.795				
IN1	0.767	0.786	0.797	0.861	0.609
IN 2	0.812				
IN3	0.722				
IN4	0.816				
MO1	0.879	0.826	0.836	0.896	0.741
MO2	0.862				
MO3	0.840				
Note: compiled by authors					

Each structure's sub-factors ought to be unique from those of other mixtures. The values in Table 2 establish linkages by illustrating the diagonal line of standards that encloses the square

roots of the AVE. Fornell and Larcker contend that discriminant validity is obtained by demonstrating that the diagonal line standards are more closely tied to a certain relational location in the table (Fornell & Larcker, 1981).

TABLE 2. Heterotrait–monotrait ratio of correlations and Fornell-Larcker Criterion

	Firm Performance	**Innovativeness**	**Market Orientations**
Firm Performance	**0.802**	*0.795*	*0.787*
Innovativeness	0.648	**0.780**	*0.748*
Market Orientation	0.653	0.610	**0.861**

Note: Numbers in bold indicate the AVE's square root. The correlations between the variables of the structure are listed underneath the diagonal matrix. The heterotrait-monotrait ratio of correlation numbers is indicated by italicized digits above the diagonal cells.

5.2 Structural model results

The paths outlined in the study framework are reflected in the structural model. On the basis of the R2, F2, and significance of routes, a structural model is evaluated. The robustness of each structural path determines the model's suitability, and the coefficient R2 for the predictor variables must be equal to or greater than 0.1. (Falk & Miller, 1992). Table 3's findings demonstrate that all R2 values are greater than 0.1. Consequently, the capacity to predict is formed. The structure - performance of the endogenous latent variables is further established by F2. The model has predictive validity when the F2 is greater than 0. The findings demonstrate the importance of the constructs' forecasting. The p-values are obtained by using the bootstrap approach (5,000 bootstrap samples). Table 3 shows direct relationship test results.

TABLE 3. Direct relationship test results

	Path Coefficient	**SD**	**t value**	**p-value**
H1: Innovation -> Firm Performance	0.398	0.051	7.775	0.000
H3: Market Orientation -> Firm Performance	0.411	0.054	7.633	0.000
H4: Market Orientation -> Innovation	0.610	0.040	15.404	0.000
R^2 Firm Performance=0.527 R^2 Innovation=0.372 F^2 Innovation=0.210 F^2 Market Orientation=0.224				

Note: compiled by authors

The empirical findings support all the links between the constructs in the proposed path model (see Figure 2). H1 hypothesis that innovation has a positive significant impact on firm performance was supported ($\beta = 0.398$, $t = 7.775$, $p = 0.000$). In case of H3 and H4 also hypothesizes were supported following the structural model results ($\beta = 0.411$, $t = 7.633$, $p = 0.000$) and ($\beta = 0.610$, $t = 15.404$, $p = 0.000$).

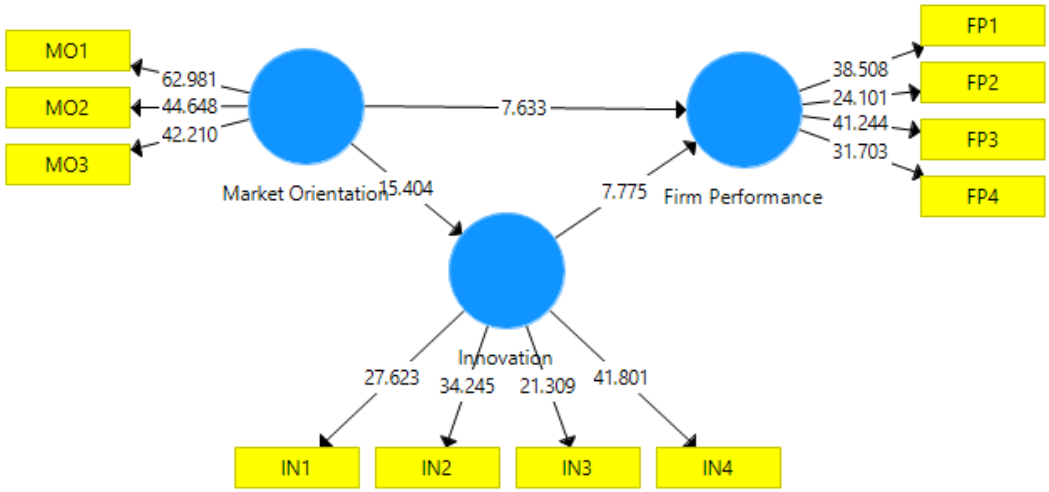

FIGURE 1. SEM path model results

Note: compiled by authors

In order to check H2, the mediating analysis was performed. The findings (Table 4) revealed the significant mediating role of innovation between the market orientation and firm performance, supporting the proposed (H2) hypothesis.

TABLE 4. Mediation analysis results

Specific Indirect Effects	**Path Coefficient**	**SD**	**t value**	**p-value**
H4: Market Orientation -> Innovation -> Firm Performance	0.243	0.035	6.854	0.000
Note: compiled by authors				

6. CONCLUSIONS

In the related literature, many studies reveal significant and positive relationships between market orientation and innovation orientation and firm performance. However, it is noteworthy that previous studies generally focused on sectors other than beverage. Therefore, this study aims to examine the relations between the mentioned phenomena from the perspective of beverage businesses. According to the findings, it was determined that firms operating in beverage business in Georgia strongly perceived their businesses as market oriented. Firms consider innovation as an important factor for the enhancing the firm performance and factor that increase their comparative advantage. Furthermore, a considerable amount of finance is directed to innovation. The paper's findings are supported by the amount of export of the beverage companies operating in Georgia, which has a growing tendency. The paper have limitation and future research. This research is limited to large-scale companies operating in Georgia with the small sample. It may be useful to compare the beverage companies operating in Georgia with neighbors countries cases. Another limitation of the study is that the sample covers large-scale businesses. In future studies, a similar study can be carried out on a sample of small-scale businesses. In fact, other businesses other than beverage sector firms can be made a part of this sample.

The paper has the following recommendations:

(1) The study found that firms operating in the beverage sector in Georgia strongly perceive their businesses as market-oriented and consider innovation an important factor for enhancing their firm performance. Therefore, it is recommended that beverage companies in Georgia invest more in innovation to stay competitive and gain a comparative advantage.

(2) Beverage companies in Georgia should foster a culture of innovation within their organizations. This could be done through encouraging idea generation and experimentation, as well as creating an environment that supports innovation.

(3) Collaboration between beverage companies and other businesses could lead to new ideas and innovations. For example, beverage companies could collaborate with technology companies to develop new products or packaging solutions.

(4) The study found that the export of beverage companies in Georgia has a growing tendency. Therefore, beverage companies should focus on export as a way to expand their markets and increase their revenue. This could also provide an opportunity to collaborate with businesses in other countries.

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Appendix A

Questionnaire

The questionnaire will be used only for academic purposes!

Rate from 1 to 7 the following sentences. according to your level of agreement: 1 = Totally disagree (TD), 2 = Disagree (D) ,3=Somewhat disagree(SD) 4=Neutral (N), 5=Somewhat agree, 6=Agree (A), 7=Totally agree (TA).

c	ID	Items	Agreement Scale						
			TD	D	SD	N	SA	A	TA
Firm Performance (FP)[a]	**FP1**	This firm's income outweighed expenditure							
	FP2	The firm posted net profits last year							
	FP3	Owner/managers initiated unique improvements to product feature							
	FP4	This firm's overall returns exceeded overall costs							
Market Orientation (MO)[b]	**MO1**	We systematically and frequently measure customer satisfaction							
	MO2	We periodically analyse our customers' current and future needs							
	MO3	We develop strategies to stress the benefits that distributors obtain from maintaining their relations with our firm							
Innovation (IN)[c]	**IN1**	Firm seek innovative products							
	IN2	Our firm is well-computerized firm							
	IN3	Firm encourage the use of infotech							
	IN4	Our firm creates new business system							

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Analysis of Gender Inequality in the Labor Market and Its Adaptation to the Conditions of Kazakhstan

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EJEBS

Abstract

This paper examines to analyze the best world experiences for ensuring gender equality in remuneration and adaptation to the conditions of Kazakhstan. A literature review has shown that types of discrimination directly affect how women are represented in the labor market and explain why their career growth is slower than that of men. In the paper, it was decided to use a quantitative method by a detailed analysis of labor force surveys in countries such as Iceland, Finland, Norway, New Zealand, Sweden, Rwanda and Nicaragua for the period from 2010 to 2021. It draws upon the nation's experience in its transition to a market-based economy and its impact on gender equality in the labor market. It further examines the challenges and opportunities that Kazakhstan has faced in its efforts to reduce gender inequality in the labor market, particularly with respect to wages, access to employment and labor regulations. Through the analysis of the selected countries with high gender-equal indicators, the study has revealed that Kazakhstan's government lacks comprehensive and eligible strategies and practices to launch for maintaining the gender pay gap and improving equal opportunities for male and female workers. The paper concludes by suggesting a set of interventions that Kazakhstan can pursue to reduce gender inequality in the labor market further and promote economic growth.

Keywords: Economy, Gender, Gender Inequality, Gender Pay Gap, Labour Market, World Experience, Kazakhstan

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1. INTRODUCTION

Today, the gender pay gap shows the difference in income between women and men. This indicator is often used to analyze the position of women in the economy. It reflects the degree of inequality, which is wider than the pay indicator for equal work. In addition, many women face difficulties in economic activity due to gender discrimination and social norms, unequal access to education, healthcare, financial and other resources. In addition, women are disproportionately vulnerable to the consequences of environmental disasters and climate change. Promoting and ensuring gender equality and empowering rural women through decent work and productive employment contributes to sustained and sustainable economic growth and increases the effectiveness of poverty reduction initiatives.

On the contrary, wage differences between men and women reflect differences in many possible parameters, including social issues. It is implied that the study of wage differences is not necessary and sufficient to prove discrimination, but the assessment of inequality is essential. Much of this is due to gender inequality, social inequality and uneven distribution of resources. Thus, gender inequality is one of the most common social dilemmas and challenges in the modern world. It is actively discussed and analyzed by sociologists, economists, independent researchers, and other experts whose activities relate to social and cultural matters (Ahmad, 2020). Thus, not depending on the fact that many countries around the globe try to deal with gender inequality, women continue to face gender discrimination (Hyland et al., 2020). The social necessity of dividing labor on this basis has long disappeared in modern societies. Nevertheless, patriarchal ideologies and traditional roles remain as women must concentrate on the private sphere, and men should succeed in the public sphere (Teixeira et al., 2021).

Analyzing various studies about gender inequality in the labor market, such women's question as a paradigm of the twentieth century has entered the social past (Coe et al., 2019). In 1995 at the World Forum on Women in China, it was declared a paradigm for a transition to a new gender sequence, which is still developing today, gradually introduced into all country enclaves and actively promoting the task of introducing gender public policy (Sokolova & Sorensen, 2021). Each of these directions differs in its subject. However, the objects of these policies are close since they are two system-forming gender communities stratified by a wide range of characteristics, groups, indicators, social role communities, and others (Kleven et al., 2022). In addition, a vital gender stratification function is played by the country's gender structure and a vector of its gender asymmetry, which creates a different gender-country landscape.

Ensuring gender equality means enjoying equal rights, opportunities and services by men and women in all spheres of life, including in the field of work. Women's economic empowerment and gender equality are crucial because they are linked and enshrined in the normative framework of international labor standards, laws and regulations. Women's economic empowerment will ensure women's access to resources and opportunities, including improving their standard of living. Women employed in the economy are discriminated against on many grounds. In addition to discrimination based on gender, they may also be disadvantaged because of their ethnic or social origin and religion. To achieve social well-being and economic growth, justification and practical implementation of a gender policy to improve women’s quality and standard of living are required. In addition, new approaches to the development of society are needed, primarily related to the person himself, his intellectual potential, and the ability to create new knowledge and master new technologies.

Based on the above, this study aims to analyze the best world practices for ensuring gender equality in remuneration and adaptation to the conditions of Kazakhstan. The following research questions were generated for the investigation to meet the significant purpose, such as:

RQ1: What is the current state of the problem of gender inequality in the labor market in Kazakhstan?

RQ2: What are good examples of countries' experiences addressing gender inequality in the labor market?

RQ3: What strategies of developed countries could the Kazakhstan government implement to improve its gender equality indicators and eliminate negative consequences of gender inequality in the labor market?

2. LITERATURE REVIEW

Gender pay gaps are considered one of the significant indicators determining the presence of gender inequality issues in the country (Meara et al., 2020). Generally, this is a specific difference between the incomes of males and females based on gender characteristics (Meara et al., 2020). The notion of the gender pay gap has emerged from two primary sources. Analysing various studies in recent years, it became clear that in the modern labor market, employers are more willing to deal with men, employ mainly employing, rather than women, who are usually unemployed (Ahmad, 2020). For example, men have more complicated jobs, so it is fair to put higher wages for them while women need to be more experienced due to the fact of getting maternal leave and spending much time on family (Cohen & Kiran, 2020). Second, employees are judged by gender factors. In most cases, females are discriminated against by their gender, getting lower salaries than men because of different reasons unrelated to their professional abilities and education.

In modern production, with an upgraded development of technologies, a focus on a division of labor by gender depends not so much on psychophysiological signs as common stereotypes exist both at the level of social consciousness and individual consciousness of women themselves (Coe et al., 2019). Generally, women's jobs include qualitatively defined functions that a woman can perform following biosocial characteristics (Coe et al., 2019).

One of the main reasons for a division of labor based on gender is still the influence of archaic attitudes that the women's natural ability could negatively affect the success of their professional activities (Hyland et al., 2020). In addition, women's activities and jobs are often formed by a simple transfer to a social micro-level of traditional women's activities within the family framework (Teixeira et al., 2021). However, everything connected with a female occupation is considered not prestigious and pays lower, while more socially prestigious professions relate to men. Each country approaches this complex issue in its way and with different success, given that the gender policy differs from the policies of the family, economic, and social aspects (Sokolova & Sorensen, 2021).

There are often such situations when both these sources are combined, and females are not motivated to focus on their human capital as they already know that a level of income would be less than for the same position occupied by males (Office for the UK National Statistics, 2021). See Figure 1 example of the women and men working part-time.

As is seen in Figure 1 above, there is one of the examples of how the gender pay gap works. In 2021 the Office for the United Kingdom National Statistics investigated, which revealed that women should work 41% more than men to get the same income for their efforts. Generally, the results demonstrate that the gap is quietly unfair due to gender reasoning.

In some countries, women are not considered reliable workers, so an average female employee is usually not compared with an average male employee as they are different, according to the government or employer's opinion. For example, a female employee can have a qualified education and essential work experience but due to the gender is not accepted for better promotion or higher income. At the same time, a male employee with less qualifications can easily get this promotion option. Undoubtedly, such type of discrimination is not allowed in progressive countries, but in developing ones this is normal practice (Kovalenko & Topfer, 2021).

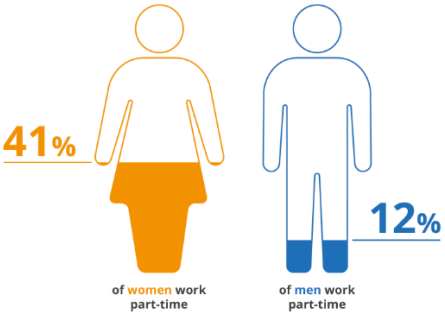

FIGURE 1. Example of women and men working part-time

Note: compiled by authors from data UK National Statistics (2021)

It is possible to remember from history, that only several centuries ago women got an opportunity to get an education as their major duty was to give birth to children and take care of the family (Lyons & Zhang, 2022). They could not go to work or have other activities except managing households. In modern times female employees need to get some career pauses due to devoting their efforts to children, so often, their work can be penalized and given up. Several relevant studies were chosen to understand the significant challenges of the gender pay gap and the apparent characteristics of gender inequality in the labour market.

First, the gender pay gap has several vital components influencing its average rate. The core one of them is the level of education of employees in a particular country. It is necessary to specify that when there are more educated and smart females, the gender pay gap will be decreased (Schieder & Wrohlich, 2021). In turn, when there are more non-educated women, the gender pay gap can be increased or kept in the same position for several analysed periods. However, the specifics of the chosen field can be crucial because females less frequently choose such educational specialities as new technologies, engineering, and science. There are a variety of studies that have concluded that even in modern times gender stereotypes do not allow women to choose so-called male specializations since school times. It happens as there is a belief in society that the gender factor can influence a person's skills. However, this is one of the most popular social stereotypes that should be prevented due to its contradiction with reality and relevance to discrimination cases (Bennedsen et al., 2019).

The second reason is that women usually have less work experience than men because of various interruptions, such as childbirth, family issues, pregnancy, motherhood, and other related situations (Sihna, 2022). It is relatively hard to concentrate attentively on both work and family obligations for women, so one of these parts can be suffering (Finley et al., 2021). In most cases, their career becomes less necessary for female employees, so they often give up work over family values (Fisher & Ryan, 2021). Therefore, employers prefer to hire males in more responsible positions as they know the men would not leave because of maternity and would always be available for overworking and extended business trips.

2.2 Labour inequality biases

One more aspect to focus on is the existence of certain biases, which affects negatively on the equal distribution of duties and responsibilities at work, as well as opportunities for promotions and development (Auer, 2022). Auer noted (2022) that the most obvious one is the selectivity bias, which happens due to a non-random selection of males and females for better positions in modern enterprises. For instance, officially employed women could have an excellent education and brilliant skills compared to employed men but still need better working conditions, as well as females who have no ambition for career promotion in the future (Feliciano, 2020). It means

that women are automatically considered untrustworthy workers as they can leave the company suddenly due to a new pregnancy or other family concerns (Feliciano, 2020). Undoubtedly, any business owner wants to save money and time in finding a relevant substitution for the labour force, according to Feliciano (2020). Therefore, from a business point of view, it would be better to hire a person to be confident in the future.

2.3 Gender pay discrimination

Analysing various previous studies revealed that almost all reasons for an unequal distribution of incomes for male and female employees are derived from discrimination basics (Raile et al., 2023). As highlighted above, employers consider women, even with the same skills and characteristics as men, less qualified for specific positions or deserve to be promoted by the career ladder (Raile et al., 2023). In this regard, female workers are viewed differently based on certain stereotypes, prejudices, and opinions. It is possible to mention at least four types of gender pay discrimination, such as stereotyping, taste-based, statistical, and normative discrimination (Raile et al., 2023). See Figure 2 for types of gender pay discrimination.

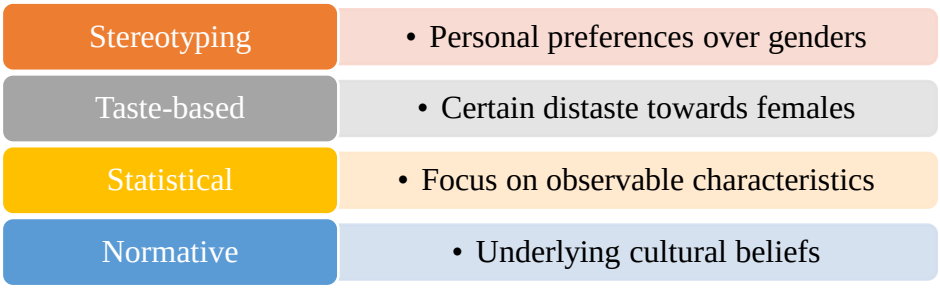

FIGURE 2. Types of gender pay discrimination

Note: compiled by the authors based on Raile et al. (2023)

Based on Figure 2, it is necessary to provide more details on each of the defined types of gender pay discrimination. First, there is stereotyping, based on which employers make their recruitment decisions, concerning not a candidate's expertise and knowledge but personal assumptions, beliefs, and social prejudices. There are such situations when women apply for jobs which are related to male ones in society but are not accepted because of the gender factor. In addition, different previous researchers have identified an interconnection between gender and a profitable position in large corporations as women are not so desirable to take a leading role in the company's management (Litman et al., 2020).

Second, taste-based discrimination is formed from the fact that regular employees, clients, and owners of a specific enterprise have a particular type of distaste towards females as potential candidates to work. This concern happens because employers believe that women's productivity level as current or future mothers will be much lower than men's career abilities. Generally, this is a standard way of how prejudices look in employment terms. The following problem often happens in monopolistic companies, which implies limitations and barriers for those females who want to apply there (Boll &Lagemann, 2019).

Third, statistical discrimination is when companies overview the general statistics about the share of men and women to reveal their performance indicators (Tharp et al., 2019). Through observation, employers try to predict an individual probability among those candidates who have applied for a position. Obviously, this approach can have at least two significant biases to a concern (Tharp et al., 2019).

See Figure 3 for prejudices and gender discrimination at modern companies.

FIGURE 3. Biases and gender discrimination at modern companies

Note: compiled by the authors based on Tharp et al. (2019)

According to Figure 3, biases are related to stereotypic cultural perceptions and ways to assess productivity. It proves that heads of enterprises would provoke a gender pay gap, even if they believe that there is not any bias in observations.

Fourth, normative discrimination is about assumptions that women are only for raising children, so they should be awarded higher promotions due to their task to stay at home and be good mothers (Tharp et al., 2019). It leads to modern employers unconsciously discriminating against female employees, mostly in companies where men are preferable, such as IT, engineering, automobiles, construction, and others (Tharp et al., 2019). These types mentioned above of discrimination directly influence how women are represented in the labor market and explain why their career growth is slower than men.

3. METHODOLOGY

Analysing the eligibility of different research methods, it was decided to use a quantitative method through a detailed analysis of Labor Force Surveys in such countries as Iceland, Finland, Norway, New Zealand, and Sweden for the period from 2010 to 2021. The choice of the following countries was done based on its highest gender-equal indicators in terms of labor according to Global Gender Gap Report, based on the results of 2022.

The primary research purpose of the current study is to identify the global experience in addressing gender inequality in the labor market to understand better what should be done to improve the gender-equal indicators in the Republic of Kazakhstan, which are much lower than the selected states have. Therefore, by observing males' and females' employment rates in these countries, it would be compared with Kazakhstan's results.

3.1 Research design

Considering the chosen research method, the study would be designed through three major stages, such as:

1. Analysis of gender-equal indicators of Iceland, Finland, Norway, New Zealand, Sweden, and Kazakhstan.

2. Analysis of practices and any related experience of the researched countries in addressing gender inequality in the labor market.

3. Analysis of applying some of the revealed practices to the conditions of the Republic of Kazakhstan.

Through these three steps, it would be clearly seen what more successful countries in achieving the highest rates of gender equality in the labor market have done to maintain these brilliant results. Obviously, such indicators were reached not immediately but through a set of trials and mistakes.

3.2 Analysis of gender equal indicators

First, it was decided to investigate gender-equal indicators of the selected seven countries and compare them with Kazakhstan's results from 2010 to 2021. Through overviewing the dynamics of employment rate by gender, it would be seen how progress was made during these years and the current difference between male and female employment in the countries. Therefore, considering these indicators in 2022, it was decided to focus on these nations more attentively to reveal its progress from 2010 to 2021, clarifying its strategies for achieving gender equality in the labor market. Its experience can help Kazakhstan to focus on the significant challenges during preparation and the implementation of better approaches to deal with any case of gender inequality and its inconsistencies.

4. FINDINGS AND DISCUSSION

4.1 Background Information

According to the World Economic Forum's Global Gender Gap Report (2022), Iceland, Finland, Norway, New Zealand, and Sweden have taken the leading positions as the most gender-equal countries in 2022.

Figure 4 shows the top countries in Global Gender Gap Index in 2022.

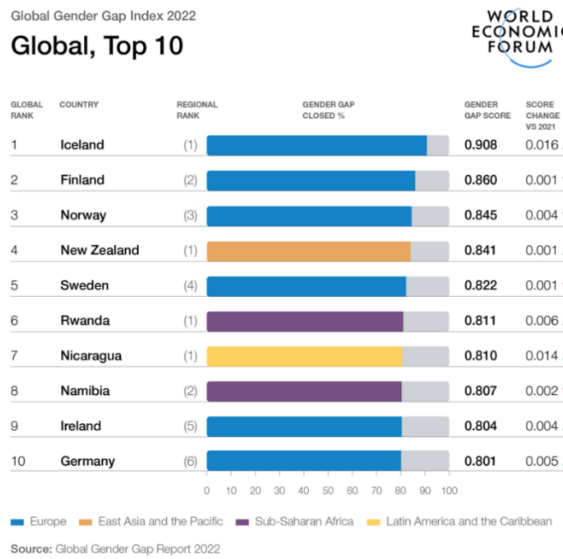

FIGURE 4. Top countries in Global Gender Gap Index in 2022

Note: compiled by the authors based on data Global Gender Gap Report (2022)

As it is seen on Figure 4 above, the only country in the world that could reach more than 90% of its gender gap, taking the leading position for about 12 years in a row, is Iceland. Generally, this is an example of the economy, which treats women and men equally without putting gender as the critical factor during recruitment. The neighbouring countries with Iceland, such as Finland, Sweden, and Norway, also represent a good result as New Zealand, Rwanda, and Nicaragua. These countries are in the top 10 ranking of gender-equal states around the globe.

Compared with Iceland, Finland, Norway, New Zealand, Sweden, Rwanda, and Nicaragua, Kazakhstan takes 65th place in the Global Gender Gap Index Rankings in 2022, scoring 0.719. See Table 1 comparison of the Global Gender Gap Index Score.

TABLE 1. Comparison of the Global Gender Gap Index Score

Country	Rank	Score	Score change
Iceland	1	0.908	+0.016
Finland	2	0.860	-0.001
Norway	3	0.845	-0.004
New Zealand	4	0.841	+0.001
Sweden	5	0.822	0.000
Rwanda	6	0.811	+0.006
Nicaragua	7	0.810	+0.015
Kazakhstan	65	0.719	+0.009

Note: compiled by the authors based on Global Gender Gap Report (2022)

Table 1 above clearly shows that Kazakhstan should maintain more effective practices to get jumped to the top 10 countries with the best ranking and eliminate a sufficient gender gap. Obviously, Iceland kept its score for many years, so in 2022 it got 0.016% of change, which is a good result, becoming the first country which becomes closer to 100% of complete gender equality in the country. In comparison, Kazakhstan has a good upgrade to 0.009% of change.

4.1.2 Iceland

The country that took first place in 2022 by its Gender Gap Index is Iceland. It has reached a score of 0.993, which means that the country is close to getting 1, detecting complete equality in the labor market. It should be underlined that Iceland had stable gender-equal indicators for more than ten years, showing a perfect example of an absence of gender discrimination and inequality worldwide. For example, women could hold higher positions and even easily promote to the country's presidency if they have enough skills and expertise.

Undoubtedly, these gender equality achievements in Iceland have fluctuations. Based on the data of the ILO, got sufficient differences in the employment rate of males and females in 2012 and 2021 (Figure 5).

Figure 5 demonstrates that there is still a gap between employed males and females. However, this tendency can be explained by certain factors, such as the personal choices of employees, rather than a fact of gender discrimination. Obviously, the dynamics of the employment rate in Iceland is the same for both men and women, proving the equal development of labor opportunities for any country citizen, not depending on gender or other aspects.

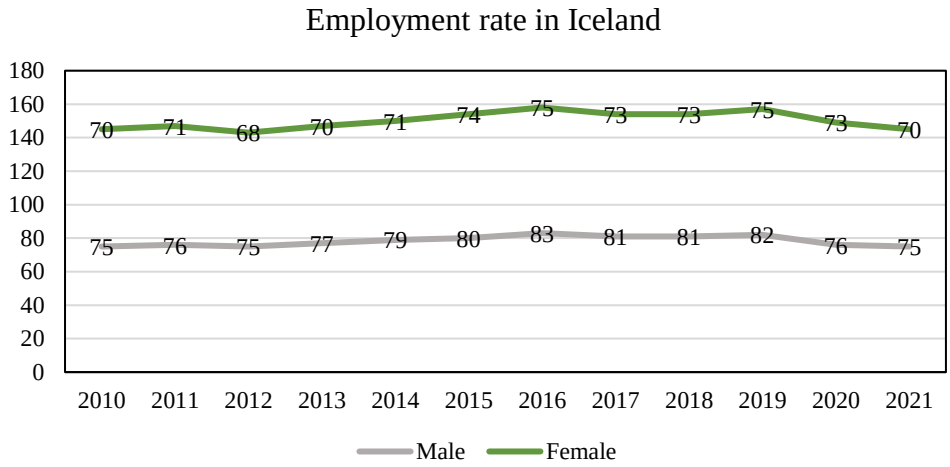

FIGURE 5. The employment rate in Iceland for a period from 2010 to 2021

Note: compiled by the authors based on ILO (2022)

4.1.2 Finland

The second country is Finland, which scored 0.860, demonstrating good development of gender equality policies. However, the results in 2022 were lower than in 2021 due to falls in gender parity towards incomes. Finland is one of those countries focusing on improving its current strategies based on the previous lessons and findings. Therefore, if there is a certain limitation in reaching an excellent indicator of gender equality in the labor market, some other factors should be considered as the recent pandemic and the further complicated situations happening around the globe. See Figure 6 for the employment rate in Finland.

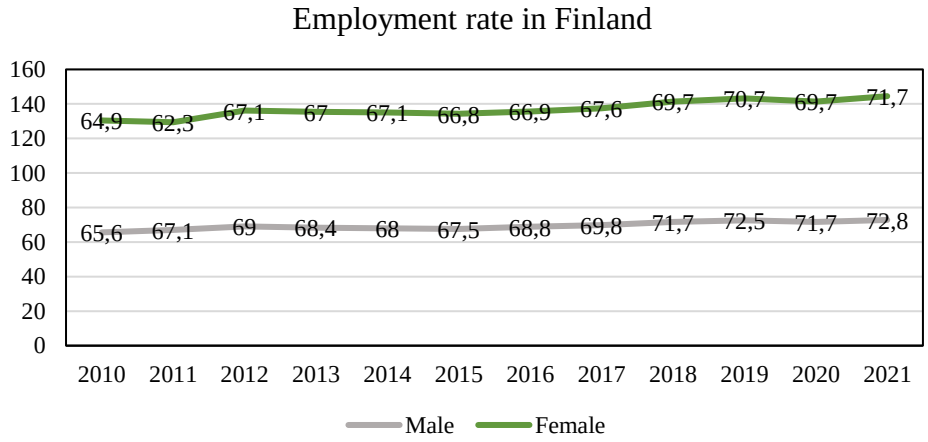

FIGURE 6. The employment rate in Finland for a period from 2010 to 2021

Note: compiled by the authors based on Statista (2022)

According to Figure 6 above, it is evident that the dynamics of male and female employment rates have been at the same speed since 2012. These indicators remind growth in Iceland for the earlier period since 2008. Interestingly, the equality of both men and women in Finland's labor

market was achieved in 2022, getting almost 74% in the two genders. It can be considered a sufficient advantage of stabilizing gender indicators and proving that Finland made significant progress in addressing gender inequality challenges to reveal that other countries could deal with the problem accordingly.

4.1.3 Norway

The third country is Norway, which has also met a particular decline in 2022 compared to 2021. The gender pay gap is constructed from several elements, including the education rates and other types of parity, necessary to illustrate a complete picture of what is happening in the market regarding gender equality. For example, according to the data of the Global Gender Gap Report for 2022, Norway made essential progress towards hiring more women into politics and providing them more opportunities for the same career development conditions as men. See Figure 7 for the employment rate in Norway.

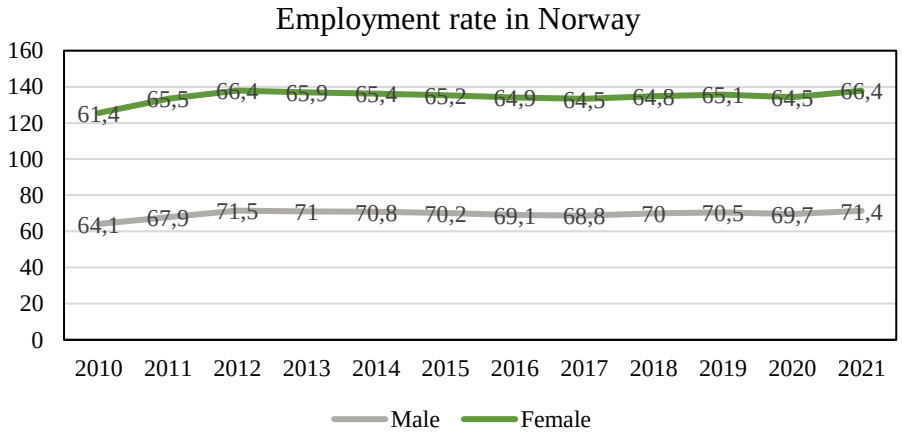

FIGURE 7. The employment rate in Norway for a period from 2012 to 2021

Note: compiled by the authors based on Statista (2022)

As it is clearly seen in Figure 7 above, the employment rate for female and male indicators are almost the same. The percentage of the employed women is not so much different from the percentage of employed men. One more interesting detail is that Norway keeps its stable dynamics for about ten years in a row. According to the data, the employment rates have increased or decreased by a few per cent, so this difference is insignificant visually. This finding shows a qualified gender equality strategy, adopted by the Norwegian government to provide an eligible environment for successful work for citizens based on their professional qualifications.

4.1.4 New Zealand

The following large country, which got in the top 10 best gender-equal nations, is New Zealand. Unfortunately, there is a lack of raw data for a detailed analysis of employment rates of males and females in this country for years before 2010. However, an interesting figure was found, showing an actual share of unemployed women who cannot find a good job because of gender stereotypes. In the previous years, New Zealand has demonstrated stable growth of its gender-equal indicators, even during the hardest economic times, such as the pandemic and financial instabilities. Based on getting statistics, it becomes obvious to construct the overview of the employment rate for males and females in New Zealand for a period from 2010 to 2021. See Figure 8 for the employment rate in New Zealand.

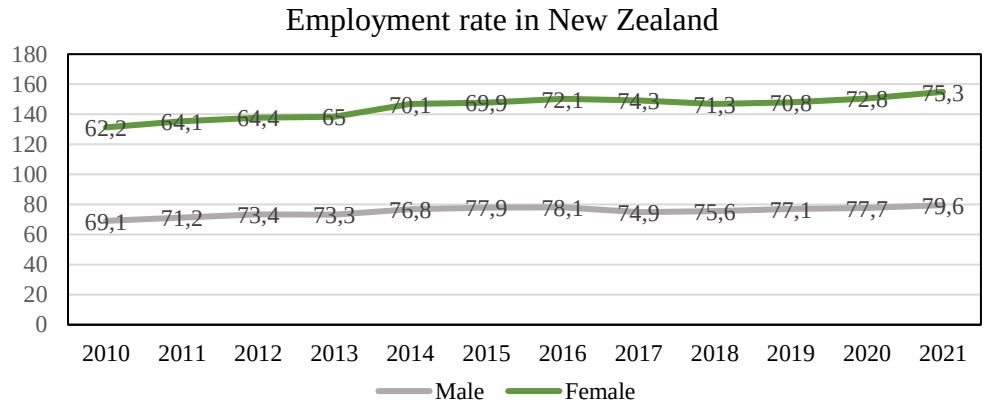

FIGURE 8. The employment rate in New Zealand for a period from 2010 to 2021

Note: compiled by the authors based on Global Economy (2021)

Based on Figure 8 above, female unemployment indicators decreased in 2021 in comparison with 2014. It was noticed a slight fall in 2018 and 2019, with a sharp growth in 2020, and the following dramatic down at the end of the period. Concerning that New Zealand is a country with patriarchal values and a high number of male occupations, decreasing the female unemployment rate can be stated as the ultimate success.

4.1.5 Sweden

Further, Sweden is one more European country which provides a positive tendency of gender equal ratios. As it was mentioned above, the general overview of gender equality indicators is built from different factors, including health and survival, education, opportunity, and another subindex, defining the quality of the governmental policies towards dealing the gender inequality issues. Sweden got zero change in its gender pay gap in 2022, but still, its results are better than in many other countries, which are also reporting the gender-equal measures. See Figure 9 for the employment rate in Sweden.

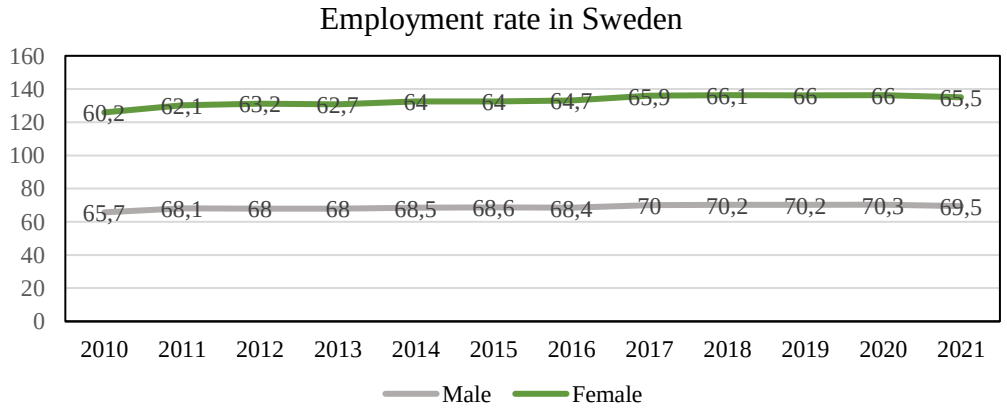

FIGURE 9. The employment rate in Sweden for a period from 2010 to 2021

Note: compiled by the authors based on ILO (2022)

As in the previous five selected countries, Sweden got the same dynamics of employment rates in both genders. However, women took the smaller percentage in comparison with men. Generally, there is almost no country which got a similar indicator except Finland, which could reach the same results for both genders in 2022.

4.1.7 Kazakhstan

Analyzing indicators of seven chosen countries, which have the highest gender-equal indicators, it is possible to compare Kazakhstan to understand what way it should pursue to achieve similar results and be at least in the top 20 states. As it was specified above, Kazakhstan got the 65th position in the gender pay gap ranking. Undoubtedly, since gaining its independence, the country has changed a lot of political courses and strategies to become a successful economic player to be effective in the global market. In recent years, huge progress has been made towards addressing social challenges, including the highest unemployment rate and slow financial development in terms of foreign exchange and export directions. See Figure 10 for the employment rate in Kazakhstan for a period from 2010 to 2021.

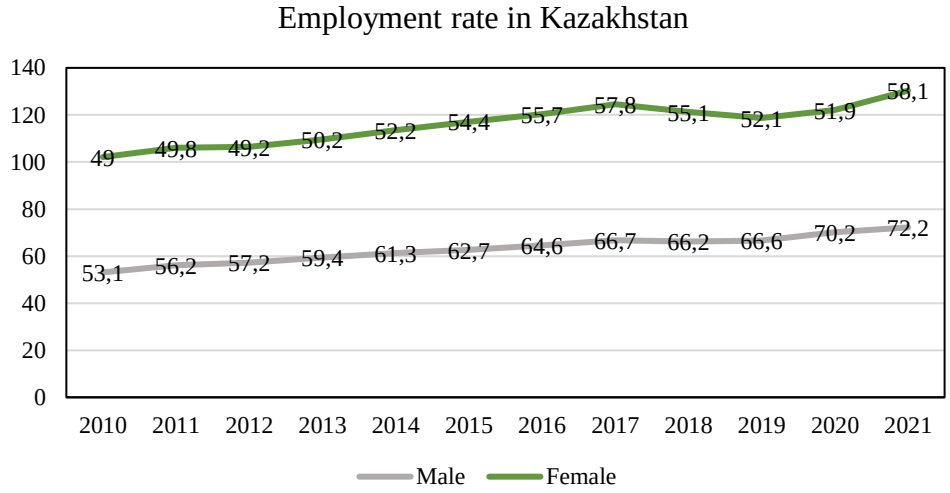

FIGURE 10. The employment rate in Kazakhstan for a period from 2010 to 2021

Note: compiled by the authors based on Global Economy (2021)

Figure 10 shows that employment conditions of women in Kazakhstan are unstable, getting sharp ups and downs. However, in 2021 the situation has relatively stabilized, and now females got more access to employment opportunities, which were considered for men only before.

4.2 Analysis of practices and any related experience of the researched countries in addressing gender inequality in the labor market

The analyzed seven countries have performed the highest-ranking indicators in the World Economic Forum's Global Gender Gap Report. Therefore, it became interesting to know what activities the governments of these states have implemented to achieve such results and maintain a perfect development of gender-equal opportunities for its citizens. Through a detailed investigation of the applied measures by Iceland, Finland, Norway, New Zealand, Sweden, Rwanda, and Nicaragua, it was highlighted the following findings:

1. Women's rights are highly protected by the law.
2. No wage discrimination by gender factor is allowed.

3. At least 30-40% of women should be employed on the management board of progressive and large enterprises.

4. Eligible conditions for parental leave.

5. Education about gender equality from school times.

6. Introducing a specialized body for gender equality matters promotion (Global Gender Gap Report, 2022).

These six major policies are completely or partially implied in all seven countries, which were selected for the detailed analysis of the following study (see Table 2).

TABLE 2. Practices of the selected countries addressing gender inequality in the labor market

Practice	Iceland	Finland	Norway	New Zealand	Sweden	Kazakhstan
Legislation	+	+	+	+	+	-
Equal wages	+	+	+	+	+	-
A defined percentage of women in the management board	+	+	+	-	-	+
Parental leave	+	+	-	-	+	-
Education since school times	+	+	+	-	+	-
Specialized body for gender matters	+	+	+	-	-	-
Note: compiled by authors						

Table 2 above clarifies what strategies and instruments the governments of Iceland, Finland, Norway, New Zealand, and Sweden use to improve their gender equal indicator and maintain gender equality in the labour market. Generally, this is usually a complex of different measures at different levels to define a strong and successful approach for teaching the population that gender does not play a crucial role during a process of employment. It allows dealing with discrimination cases and prevents such situations in the future.

4.4 Analysis of applying some of the revealed practices to the conditions of the Republic of Kazakhstan

Through a review of current practices used by Iceland, Finland, Norway, New Zealand, Sweden, it is possible to generate some suggestions for the legislation of the Republic of Kazakhstan by highlighting how the government can launch them. Obviously, a process of a transformation of the current gender perceptions in the labor market could not be so immediate, especially in such a patriarchal society as Kazakhstan's one.

See Table 3, application of successful policies of the selected countries to the conditions of Kazakhstan.

The results above provides a list of possible strategies that the government of the Republic of Kazakhstan can implement to address gender inequality successfully, considering all the features and specifics of the country's mentality.

TABLE 3. Application of successful policies of the selected countries to the conditions of Kazakhstan's labour market

Policy	Implementation	Duration	Level of the implication's success
Legislation	-Act on Equal Rights of Men and Women -Equality Code	2-3 years	Medium
Equal wages	-Equal Income Statute	2-3 years	Low
A defined percentage of women in the management board	-Based on Act on Equal Rights -Based on Anti-corruption laws	1-2 years	High
Parental leave	-Act on Maternity/Paternity -Salary conditions	1-2 years	Medium
Education since school times	-Specialized equality programs for pre-school/school students	1-2 years	High
Specialized body for gender matters	-Creation of an equality Committee/Department/Ministry for dealing with gender equality challenges	2-3 years	Medium
Other related policies	-Creation of additional policies to support gender equality	2-3 years	Medium
Note: compiled by authors			

First, this is an adoption of specialized laws, such as Act on Equal Rights of Men and Women and the Equality Code (such as Labour Code, Tax Code, and other). In most the cases, females' rights are usually violated, so it is crucial to protect women from any gender discrimination and allow them to choose a specialization based on their interests and preferences. The newly adopted laws could specify distinctions between direct and direct discrimination cases to prevent any related violence. In addition, this strategy would help to deal with stereotypes that some genders are obliged to do defined activities, such as men are responsible for breadwinning, while women – for children and households.

Second, this promotes equal wages for both males and females. In Kazakhstan, women usually earn much less than men, having similar duties and responsibilities for the same job. This is one of the signs of gender inequality when there is a disproportion between men's and women's incomes.

Third, this is a certain percentage of females on management boards of companies taking leading positions. For example, now it is partially launched in Kazakhstan as enterprises oblige to have at least one woman on the board of directors. However, it can be improved up to 30-40% of female employees in the firm's leadership.

Fourth, this is an improvement of conditions for parental leave through introducing a specialized Act on Maternity/Paternity as it has been successfully implemented in Iceland since 2006. Undoubtedly, Kazakhstan is not so rich, so it should not cover about 80% of the salary as in Iceland or Sweden, but it can cover at least 50-60% of the salary for a new mother or father. Paternity leaves are not widespread in Kazakhstan, so the government can also review this opportunity.

Fifth, there are educational courses in the programs for preschool and school students to teach

them more about gender equality and provide better values to avoid stereotyping in future generations.

Sixth, this is a specialized body which would be responsible for the gender equality questions. Kazakhstan's authorities could create a unique governmental body or organization that should deal with gender discrimination.

Finally, additional legal documents and acts can be created for specific situations to increase the population's awareness of being loyal, honest, and transparent in labor market environment.

5. CONCLUSIONS

To sum up, the following study has focused on world experience in addressing gender inequality in the labor market and its effective adaptation to the conditions of Kazakhstan.

Through the analysis of gender development index rankings of seven countries with the highest indicators in 2022, such as Iceland, Finland, Norway, New Zealand, and Sweden, it was found that an eligible justification for three research questions.

First, the current state of the problem of gender inequality in the labor market in Kazakhstan can be claimed as not challenging but common. Compared with the previous years, women now have more freedoms in the labor market, such as promoting to some political positions, being leaders in large corporations, and earning more money. However, there are still a lot of limitations, restrictions, and stereotypes towards women in Kazakhstan's labor market.

Second, Iceland, Finland, Norway, New Zealand, and Sweden were selected as good examples of countries' experiences addressing gender inequality in the labor market. The dynamics of employment rates were revealed for the latest years, demonstrating that they keep stable growth and development, offering equal career opportunities for both men and women.

Third, the example of the selected states has shown that some of its gender equality strategies could be implemented by the Kazakhstan government to improve its gender equality indicators and eliminate the negative consequences of gender inequality in the labor market. These policies include better legislation, equal wages, a defined percentage of women on the management board of large corporations, parental leave, specialized education since school times, a new body for managing gender equality matters, and other related policies.

The investigation has demonstrated that even small and poor African countries successfully manage the gender pay gap by paying more attention to internal policies and activities to provide citizens with equal opportunities for adequate employment. Kazakhstan has already made a lot of significant steps to become an economically developed and prospective country in the global market, so improving gender equality questions through reliable policies and instruments would make the country even more attractive for both population and foreign partners. When the nation takes care of citizens and wants them to develop, it will be open to changes and discoveries to help the country to become progressive and competitive. Those individuals who respect each other, not depending on such factors as gender, nationality, and age, would build a strong state with a purpose. Therefore, Kazakhstan should now deal with gender inequality through well-thought policies.

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Theoretical Issues of the Development of the Socio-Cultural Environment of the Regions of Kazakhstan

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Abstract

In recent years, economic research has paid great attention to the development of the socio-cultural environment of the regions. In recent years, many countries have begun to invest more financial resources in the social and cultural problems of the country, including its regions. Identifying and considering the peculiarities of the regional socio-cultural environment will allow for the least painless integration into the global system and integration with other more developed countries. From the point of view of the theory of science, the purpose of this article is to reveal the essence of the concepts of "socio-cultural environment", the conditions and factors of its sustainable development, and to conduct a SWOT analysis to identify the strengths and weaknesses, advantages and disadvantages of the regions of the Republic of Kazakhstan from the prism of the socio-cultural environment of development. During the literature review, it was found that many research papers cover the problems of socio-cultural development of regions and countries in the areas of economics, management, social sphere, etc. In the course of the study, general scientific and special methods were used, and the course of the study was divided into four stages. The theoretical significance of this study is to generalize and expand the theory of the socio-cultural environment of the development of regions, and practical application can be reflected in use by government agencies of recommendations to improve the socio-cultural environment of the development of regions.

Keywords: Economics, Socio-Cultural Environment, Development Conditions, Factors, Region, SWOT Analysis

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1. INTRODUCTION

Scientific publications of recent years show the importance of the socio-cultural environment in the regions. In current conditions, the role of regions is increasing in multifaceted economic, political, and cultural cooperation. Each region is considered a different socio-cultural environment with a specific economic, management, social sphere development problem, etc. This problem also requires the close attention of social scientists. The importance of studying the problem of the sociocultural environment lies in the fact that the development of the socio-cultural environment gives the vector of development of the region, the country. In addition, the importance of the stated topic is also due to the processes of globalization, which have recently manifested almost everywhere. Identifying and considering the peculiarities of the regional socio-cultural environment will make it possible to integrate into the global system least painlessly. From the point of view of the theory of science, the purpose of this article is to reveal the essence of the concepts of "sociocultural environment", conditions, and factors of its sustainable development. In this regard, it is necessary to consider and analyze the concept of the social environment. The social environment is the social, material, and spiritual conditions surrounding a person's existence and activity. The social environment in a broad sense (macro-environment) encompasses the economy, public institutions, public consciousness, and culture." In the socio-cultural environment, the norms and rules of human behavior are assimilated based on universal values, "based on which mutual recognition, trust, loyalty, and solidarity arise".

The problem of studying the sociocultural environment affects both indirectly and directly the human personality: the sociocultural environment can both shape and deform a person, enrich or devastate, depending on what a person selects from it and what he opposes. Consequently, the level of influence of the sociocultural environment is three levels of interaction, these are:

(1) the mega–environment is the modern social world surrounding a person and determining society and civilisation's spiritual and socio-psychological atmosphere. More precisely, the formation of the socio-cultural environment is influenced by large-scale changes in culture, religion, and civilization. The development of European civilization and the development of Eastern civilization form different socio-cultural environments and have distinctive characteristics.

(2) macro–environment - society, country to which the individual belongs. In this case, changes occur within the country or the region. The influence of the macro environment is provided by the social conditions and culture of a given society through factors such as mass media and social institutions (universities, schools, colleges, and cultural institutions).

(3) microenvironment – a person’s social environment represented by three main groups: family, educational and labour collective, and friends. The specifics of each of these groups are determined by age and cohort (cultural, educational level, etc.) differences.

In addition to these factors, it is possible to distinguish the influence of biological and psychological characteristics of a person and the circumstances of his personal life. Namely, the formation and growth of a personality in a particular environment.

The diversity of the country’s culture creates opportunities for changing life situations and socio-cultural environments (Walsh & Winsor, 2019).. Diversity creates new conditions and leads to discoveries in science, technology, and art, to the creative activity of the highest level with socially significant results. The ability to see the problem in a new way, to create a lifestyle and activity, patterns and models of behaviour allow entirely free yourself from the burden of the past and act following the requirements of the time.

In our country, regional governance is essential because there are considerable differences in geographical, climatic, economic, national, cultural, social, demographic, and other factors that determine its specificity and content. In addition, Kazakhstan is distinguished by the decentralization of regional management. Each region develops a development strategy

independently. Consequently, the socio-cultural environment in each region is different. The scientific significance of this study is ensured by the fact that the problem of the socio-cultural environment of the region will be conceptually considered to ensure the sustainable development of the region and the country. The leading indicators that can characterize the problem of the socio-cultural environment of the region will be analysed, and the author's recommendations for the development of the socio-cultural environment of Kazakhstan will be proposed.

2. LITERATURE REVIEW

The socio-cultural environment (university, city, region) is a part of the cultural and educational space through which the socialization of society is carried out. Moreover, the scientific community has many approaches and ideas about developing the socio-cultural environment of a university, city, or region.

The socio-cultural environment is considered a significant space of life activity in which the individual's formation, development, and self-development occurs in interaction with other people, natural, objective factors, and cultural values. According to Jaroshenko's research (2000), sociocultural the environment creates social development of society and human development. Some studies focus on the quality of the socio-economic environment and planning for the development of the region and the country (Jur'ev & Babajan, 2008). Thus, for developing a social cell, the development of the socio-cultural environment is important since society strives to obtain growth under favourable conditions. Namely, society should strive for physical, mental, and psychological growth.

Based on the macroeconomic perspective, a well-thought-out and planned socio-economic policy can give impetus to the development of both the region and the country. This approach focuses on quality rather than quantity. Consequently, a high-quality society will lead to the formation of a high-quality person, which entails stable growth.

The situation in Kazakhstan aims to improve quantitative indicators, namely, improving indicators. Recently, poor implementation of the goals of the regional development strategy has been observed, which leads to the inefficient implementation of state programs to improve the socio-cultural environment of the region or country (Livina & Rozentale, 2019). Thus, the quantitative development of a region occurs, and the economic development of a region or country is suspended. Therefore, when implementing state programs for the development of the socio-cultural environment of a region or country, emphasis should be placed on the qualitative conditions and opportunities for the formation and development of society.

In addition, there are studies dealing with the problem of effective management of the socio-economic environment (Averchenkova & Gorbunov, 2019; Bushi, 2003; Filatova, Zaikin, Kazantsev, 2021; Isras, 2018). In this study, the researchers proved that effective management contributes to the development of the socio-cultural environment of the region.

Based on the above, the socio-cultural environment is the material, social, institutional, and spiritual conditions surrounding a person's formation, development, and self-realization. The components of the sociocultural situation — the environment and spheres of life-are simultaneously the spheres of project activity. The socio-cultural environment of life (a person, a social group, a region) can be changed and transformed. Having a decisive influence on the development and formation of the individual, the environment simultaneously changes and transforms under the influence of human creative activity so that the potentials of the environment become real opportunities for personal development, and conditions for self-realization (Shlemina, 2012).

In the context of a particular region, depending on the nature and intensity of problems and available resources, specific components of the sociocultural environment can act as priority

areas of cultural or social policy (Pfau-Effinger & Grags, 2021; Murray, 2020). Namely, regions can be industrial, agricultural, oil, etc., taking into account the peculiarities of the region's development, it is necessary to skill fully manage the advantages and disadvantages of economic development for the formation and development of the sociocultural environment.

Thus, we face various problems in the development of the social and cultural environment of the region. Namely, the problem of forming the socio-cultural environment and managing this activity in the regions.

The above literature review should be grouped according to the approaches and ideas of researchers of this problem (Table 1).

TABLE 1. Significant theoretical directions of the development of the socio-cultural environment

Authors	Main idea
Jaroshenko (2000)	The socio-cultural environment creates social development of society and human development.
Shlemina (2012)	The socio-cultural environment of life (personal, social group, region) is amenable to change and transformation.
Jur'ev & Babajan (2008)	Creation of quality systems for the socio-economic environment and regional development planning.
Livina & Rozentale (2019)	The negative impact of inefficiently implemented state programs on the social and cultural environment.
Averchenkova & Gorbunov (2019); Bushi (2003); Filatova et al. (2021)	Effective management of the socio-economic and cultural activities in the region contributes to the development of the socio-cultural environment.
Pfau-Effinger & Grages, (2021); Murray (2020)	Specific components of the socio-cultural environment can act as priority areas of cultural or social policy.
Note: compiled by authors	

3. METHODOLOGY

The research material is the main components of the socio-cultural environment, factors, and structural elements of regional identity. General logical and generally accepted methods of theoretical cognition are used.

In the course of the study, the theoretical foundations of the development of the theory of the socio-cultural environment will be investigated and generalized. In addition, the conditions and factors for creating a favorable socio-cultural environment of a region or country for sustainable economic development will be considered. Analogical studies were conducted by the authors (Gulin, 2012), who consider the socio-cultural environment from the prism of modernization of the region. Other scientists (Averchenkova & Averchenkov, 2021) consider the theory of management and the creation of a universal system for the development of the sociocultural environment in the region.

The algorithm of the research is shown in figure 1.

The results of the study will be presented in four stages:

The *first* stage considers generalizations of the current theory of the socio-cultural environment of a region or country;

The *second* will include identifying factors, conditions, and opportunities for creating a developed sociocultural environment in the region and the country.

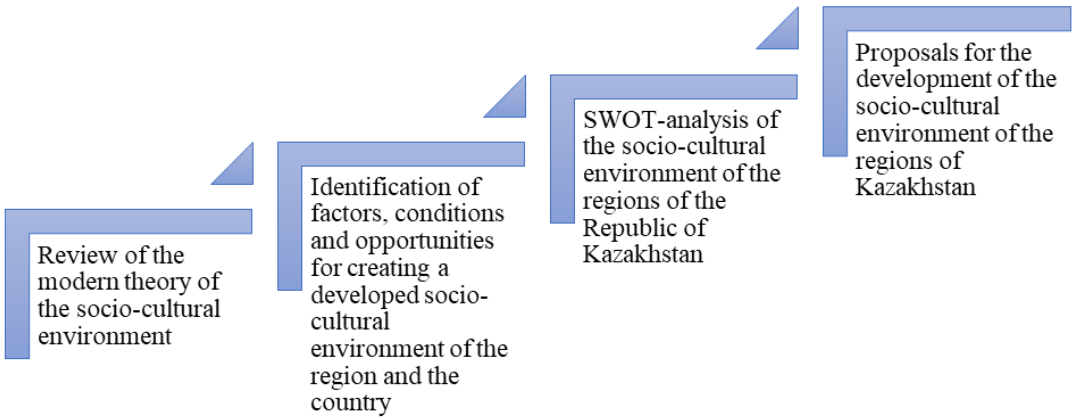

FIGURE 1. Stages of the research

Note: compiled by authors

The *third* stage will include a SWOT, which will identify weaknesses and strengths, advantages and disadvantages of the development of the socio-cultural environment of the regions of Kazakhstan.

The *fourth* stage will offer directions for developing the socio-cultural environment of the regions of Kazakhstan. Conditions are created both by the state, so the region also has economic, social, cultural, and natural conditions. Creating favorable conditions requires a strategic policy for development in terms of social and cultural problems.

4. FINDINGS AND DISCUSSION

A review of the available literature has shown that researchers consider the development of the socio-cultural environment of the region as one of the sources of sustainable development. Consequently, research was conducted on the theory of the emergence of the socio-cultural environment, on the assessment of the current development of the socio-cultural environment, on management, and on priority areas of the socio-cultural environment of the regions. However, in addition to theory, analysis, and evaluation, it is necessary to understand the basics of the socio-cultural environment of regional development. Namely, what favorable conditions and opportunities can the state create for the region to become a source of the country's GDP?

Within the framework of the socio-cultural environment and the sphere of human activity, specific components can be distinguished: cultural and historical heritage or historical human habitat; the artistic habitat of a person, the quality of his artistic life; socio-psychological habitat, psycho-emotional and mental state; spiritual and moral environment (religion, faith, etc.); political environment; ecological habitat.

The main conditions include the following:

- increasing investments in the fixed capital of the region. The principal capital of the region is the main image of the socio-cultural state of the region. Creating favorable conditions for the socio-cultural environment depends on investment in fixed assets. This indicator shows the state of development of the main features of the regions. The figure shows the dynamics of this indicator since 2014, compared to 2 fixed asset investments that increased almost twice in 2021 (Figure 2).

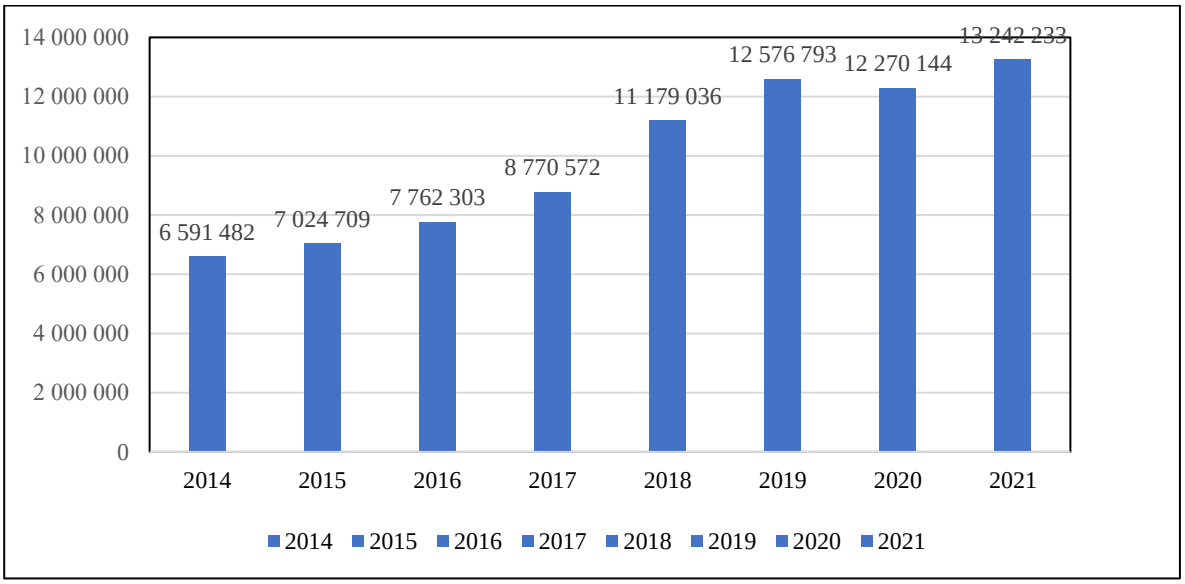

FIGURE 2. Investments in fixed assets in Kazakhstan for 2014-2021

Note: compiled by authors based on data from the Bureau of National statistics (2022)

In official statistics, considering the regions of Kazakhstan, the leaders in this indicator are Astana (1 trillion 446.79 billion tenge) and Almaty (1 trillion 400.56 billion tenge) have a significant share in the total volume of investments. Ulytau is the only region where there was a decline at the end of the year, and immediately by 18.3%, to 155.66 billion tenge.

Consequently, according to the state of the regions, it can be concluded that the socio-cultural appearance with the least amount of investment in fixed assets is worse than the regions or cities of republican significance, which have a large amount of inversion into the rest of the capital. However, this indicator is not the only one that characterizes the socio-cultural appearance of the regions;

- implementation of priority state programs for the revival of investment engineering both on the principles of creating new domestic production facilities and on the principles of deploying industrial assembly plants. Production of social and cultural goods and services to improve the socio-cultural environment of the region;
- building up the light and food industry to provide the population with social goods;
- building up the entrepreneurial potential to increase the income of the population and build up the middle class;
- increasing cultural events to maintain patriotism, ideology, etc.
- increasing production capacity in infrastructure and road construction, increasing the quality of life, thereby positively affecting the social environment of the region, etc.

In the conditions of a particular region, depending on the nature, and intensity of problems and available resources, specific components of the socio-cultural environment can act as priority directions of cultural policy.

The following main opportunities of the socio-cultural environment of the region in the socialization of society can be identified:

- modernization of the educational system, high-quality provision

of diverse intellectual, spiritual and moral, civil, and patriotic development of the population, including support for the most capable and talented;

- organization of mass movements focused on the formation of life principles and values of the population;
- participation of teenagers in the socio-political life of the region (youth parliament, youth government);
- implementation of socially significant projects to unlock the potential of the population;
- the use of historical heritage to ensure the continuity of generations, the preservation of historical memory and the designation of an active life position, etc.

Currently, there are many different approaches focused on developing and applying various methods for assessing the socio-cultural environment of regional development. An important condition in forming and evaluating indicators is obtaining the most objective data on the state of the socio-cultural situation of the regions. The variety of methodological approaches to forming indicators for assessing subjects' socio-cultural development (territories, regions, oblasts, municipalities) requires their classification by a particular attribute for analytical purposes. In reflecting on the many characteristics of the level of socio-economic development of the regions, we adhere to the opinion of Granberg, who points to the existence of three main approaches (Marinov, 2009; Kichigin et al., 2020).

Figure 3 shows three main approaches to assessing the development of the socio-cultural environment.

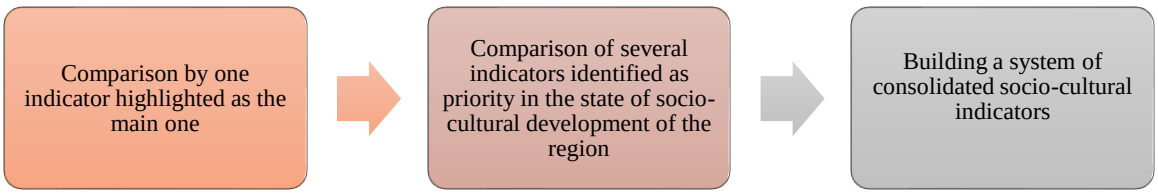

FIGURE 3. Three main approaches to assessing the development of the socio-cultural environment

Note: compiled by authors

Considering the first approach, we can say that, as a rule, the gross regional product GRP is the primary indicator characterizing the region's socioeconomic development level. It is impossible to achieve sustainable development of the region and improve sociocultural development without economic intervention. The assessment of the region's economic development level by one primary indicator is also carried out by Isakin. His research is based on the concept of quality of life. Integral indicator of the quality of life of people Isakin (2005) presents as an indicator, including the values of GDP, the level of wages that can quantify the socio-cultural development of the region. In general, based on quantitative indicators, it isn't easy to assess the current state of the socio-cultural environment of the region. Thus, relying on quantitative and qualitative indicators of the region, we can try to assess the socio-cultural environment.

Next, consider the data of the gross regional product in the context of the regions of Kazakhstan in Table 2.

TABLE 2. Gross regional product in the context of regions of Kazakhstan, billion tenge

Region	2014	2019	2020	2021	The ratio 2021 to 2014	
Kazakhstan	38 451 438,0	69532626,5	70649033,2	83 951 587,9	45500150	2,18
Akmola	1 051 057,8	1 933 580,2	2 283 939,8	2 678 123,1	1627065,3	2,55
Aktobe	1 926 239,6	2 974 420,9	2 956 872,2	3 586 222,6	1659983	1,86
Almaty	1 910 366,2	3 246 080,4	3 731 039,5	4 606 792,8	2696426,6	2,41
Atyrau	4 340 623,0	9 327 263,3	7 738 259,2	10 627 583,4	6286960,4	2,45
West Kazakhstan region	1 987 705,7	2 946 389,1	2 735 953,1	3 533 014,4	1545308,7	1,78
Zhambyl	979 666,1	1 712 883,6	1 901 385,0	2 262 750,6	1283084,5	2,31
Karaganda	2 899 976,8	5 388 260,6	6 099 856,2	7 446 273,2	4546296,4	2,57
Kostanay	1 394 867,8	2 451 736,4	2 872 209,6	3 516 221,0	2121353,2	2,52
Kyzylorda	1 380 132,3	1 828 864,7	1 645 067,2	1 926 000,2	2121353,2	1,40
Mangystau	2 418 214,6	3 685 383,5	3 074 392,9	3 627 008,1		1,50
Pavlodar	1 746 774,4	3 029 608,9	3 120 136,9	3 883 826,6	1208793,5	2,22
North Kazakhstan region	795 551,2	1 382 322,2	1 571 903,6	1 790 770,4	-	2,25
Turkestan	1 174 379,7	2 016 120,7	2 384 159,3	2 808 045,6	995219,2	2,39
East Kazakhstan region	2 282 709,8	4 024 968,4	4 605 532,1	5 063 661,9	2780952,1	2,22
Astana c.	4 019 602,8	7 834 828,5	7 975 283,1	8923712	4904109	2,22
Almaty c.	8 143 570,2	13546958,4	13459802,6	15000060	6856490,2	1,84
Shymkent c.	1 224 394,9	2 202 956,7	2 493 240,9	2671522	1447126,9	2,18
Note: compiled by authors based on data from the Bureau of National statistics (2022)						

As can be seen from the data presented in Table 2, the Akmola region demonstrates the highest growth rate, the volume of GRP which increased by 255% over the studied seven years compared to the indicators of the base year, 2014. Also, among the leading regions that showed growth of over 200%, it is possible to note such regions as Karaganda, Kostanay and East Kazakhstan region, Turkestan, as well as the city of Shymkent.

In the following regions, growth is more than 100%: Almaty, Zhambyl region and North Kazakhstan region, with a GRP growth rate of 98% of the base year level.

Similarly, we can note a reasonably high growth in GRP in regions such as Atyrau, Pavlodar, which show an increase of over 200% over the eight years studied.

At the same time, the Kyzylorda region showed the lowest growth rate, whose GRP has grown by only 40% over the past eight years. The remaining regions show moderate growth from 40 to 70% in 2014.

On the other hand, if we consider this issue from the standpoint of materiality in absolute physical quantities, we can see that four regions showed the most significant increase in GRP volumes, namely Atyrau region, Karaganda region and the cities of Astana and Almaty, with values of 6.2, 4.5, 4.9 and 6.8 trillion tenge, respectively. East Kazakhstan region showed growth of more than 2 trillion tenge. Seven more regions showed more than 1 trillion tenge growth, including Akmola, Almaty, Aktobe, Kostanay, etc.

Comparison by several indicators highlighted as a priority in the state of socio-cultural development of the region the primary indicators that can describe the socio-cultural appearance of the region's development. These include the unemployment rate and the average salary of the country's economically active population. The main indicators are analysed more efficiently and show the trend and dynamics of the region's development.

Consider the average salary for the regions of Kazakhstan in the period from 2014 to 2021. Generally, wage growth was noticeable in all regions during the study period. However, there is a big gap between the regions. For example, residents of the Atyrau region receive the highest wages, in 2021 it amounted to 406,166 tenges, and residents of the North Kazakhstan region receive the lowest - 187,501 tenge, which is almost two times less (see Table 3).

TABLE 3. The average salary for the regions of Kazakhstan in the period from 2014 to 2021

Region	2014	2018	2019	2020	2021
Akmola	85 412	121 361	140 272	168 302	203 006
Aktobe	106 265	137 039	156 595	182 923	217 597
Almaty	89 283	115 101	136 212	168 313	207 592
Atyrau	221 664	293 572	351 103	367 799	406 166
West Kazakhstan	108 223	153 782	183 914	195 410	226 537
Zhambyl	81 874	109 420	127 043	156 846	195 922
Zhetisu	-	-	-	-	-
Karaganda	107 821	149 916	172 239	203 806	240 608
Kostanay	90 602	125 995	145 890	171 319	201 923
Kyzylorda	104 485	130 391	152 085	178 174	212 777
Mangystau	222 294	275 679	294 099	317 611	349 503
South Kazakhstan	84 550	-	-	-	-
Pavlodar	102 310	141 915	160 670	187 427	220 291
North Kazakhstan	81 062	110 686	130 233	157 497	187 501
Turkestan	-	104 136	123 853	158 762	195 302
East Kazakhstan	99 130	140 126	162 182	190 287	224 700
Astana c.	177 809	240 320	266 796	302 504	344 691
Almaty c.	155 242	200 919	224 158	247 951	295 985
Shymkent c.	-	115 574	136 995	161 329	193 682
Note: compiled by authors based on data from the Bureau of National statistics (2022)					

The construction of consolidated socio-cultural indicators includes all groups of indicators or integral indicators. Social indicators can be grouped by educational, medical, signs and directions can group etc. indicators, as well as cultural indicators. Socio-cultural indicators include natural population growth (decline), cost of living index, real disposable income, unemployment rate, morbidity per 1000 people, commissioning of residential buildings, crime rate, etc.

The interest of the state and a properly formulated policy in the socio-cultural sphere can ensure social stability and contribute to creating a system of values and its further continuity. In addition, it forms patriotism and the national identity of the population and contributes to the development of the innovation industry and the growth of the country's economy (Stroeva et al., 2015; Nikitin et al., 2021). In this regard, it is necessary to investigate the weaknesses, strengths, as well as opportunities, and threats (SWOT analysis) of the socio-cultural environment of the Republic of Kazakhstan, covering general issues of the region (see Table 4).

TABLE 4. SWOT analysis of the socio-cultural environment of the regions of the RK

STRENGTHS	WEAKNESSES
- the geographical location of the country; - digitalization of the country; - use of modern information and innovative tools; - development of the creative economy; - rich architectural and cultural heritage; - multinational nature of the country; - diversity and differences of national traditions in the regions of the country; - Diversified social space - Heterogeneous demographic structure - diversity of cultural values of different nationalities; - development of communication technologies; - state support of artists; - development of the private sector of the sociocultural industry; - development of cultural and tourist clusters; - Trends in the growth of the urban population; - high share of large cities of Almaty and Astana in the country's GDP; - dynamic development of the service sector in the major cities of Astana and Almaty (education, healthcare, culture, and leisure); - creating a favorable environment for the development of a modern (innovative) economy in Germany; - implementation of the "Smart City" system within the framework of the State program "Digital Kazakhstan"; - the growth of the number of highly qualified specialists in large and large cities; - transport connectivity of the capital with the regions of the country.	- poor coordination of interaction between executive authorities and local self-government bodies; - differences and gaps in the development of the socio-cultural environment in the regions, especially in rural areas; - lack of coordination of actions between different branches of art and culture; - lack of centers for the development of research activities in the socio-cultural environment, which could be museums; - an inefficient system of stimulating the creative potential of the industry to create a cultural product that would be in demand; - lack of modern cultural institutions; - low level of proficiency in modern management tools in traditional cultural institutions, especially in the regions; - low level of cooperation with foreign cultural and art organizations at the republican level; - lack of programs for the development of leisure and entertainment culture at both the state and local levels; - lack of state support for contemporary art trends; - poorly developed public institutions, such as patronage, sponsorship, and volunteering; - public-private partnership in the field of culture is poorly used; - lack of personnel.
THREATS	**OPPORTUNITIES**
- an increase in the population can lead to social problems such as crime and poverty, especially with insufficient employment in the regions;	- an increase in the population can ensure an increase in demand for socio-cultural goods and services, thereby ensuring the development of this environment in the regions of the country; - development of international and domestic cooperation between industry organizations;

- many different ethnic groups, which can lead to social tension among the population in some regions of the country; - economic problems of the country, leading to a decrease in the purchasing power of potential consumers of cultural products; - competition from other regions (Russia, USA, CIS countries, etc.) and countries; - low level of diversification of cultural industry products in the regions; - concentration of all cultural and social organizations in the megacities of the country; - low level of return on investment in the socio-cultural sector; - Consequences of the COVID-19 pandemic, leading to the closure of SMEs in the industry; to travel outside their place of residence - Regression of the emerging entrepreneurship system.	- high level of migration to cities, which may generate new needs in the socio-cultural environment; - the growth of commercialization of scientific and research results of universities, research institutes, and other educational and cultural organizations; - the creation of new goods and services in the socio-cultural sphere in the regions and rural areas; - the multinational nature of the country, which increases the spiritual and material culture of the local population; - development of entrepreneurship in the field of culture and art; - the possibility of holding international events, such as conferences, symposiums to attract the scientific community and professional figures of the industry; - the creation of regional research centers in different regions of the country in cooperation with international organizations; - formation and development of educational and educational institutions in regional centers in different regions of the country in different directions of the sociocultural industry; - the creation of popular image projects, holding competitions and festivals of international level.
Note: compiled by authors	

Summing up the results of the SWOT-analysis, it can be summarized that there are more weaknesses in the socio-cultural environment than positive ones. Nevertheless, these weaknesses can be used as opportunities if effective mechanisms are developed. In general, the pace of socio-cultural development of regional centers is higher compared to other urban settlements of the country, except the cities of Astana and Almaty. This is also evidenced by such data as the volume of investments in fixed assets, including in the manufacturing industry, and indicators of the population's standard of living. Nevertheless, in all regions, some problems should be solved. One of the main problems is the low level of quality of life, the average person's salary is low, and the population lives from wage to wage Insufficient housing construction in unattractive regions and high density of development in developed cities, especially in Almaty. As a result, there was a problem with walking distance of social, leisure, public services, and other facilities. To receive many services, citizens have to get behind the car, which also worsens the environment.

The industrial and household waste disposal system is not established in the settlements. All this hinders the free movement of labour, and the creation of a high-quality urban environment for recreation, cultural and leisure, and other processes. In large and large cities of the republic, "public spaces" are not developed, which significantly worsens the living conditions of citizens and the attractiveness of settlements. To improve the population's quality of life, green areas are needed, including parks, public places, and sports grounds. Such objects make cities attractive

for living. The importance of having green spaces is recognized in goal 7 of Sustainable Development Goal 11, which calls for "universal access to safe, accessible and open green spaces and public spaces, especially for women and children, the elderly and the disabled, by 2030." However, in Kazakhstan, the share of urban space allocated for green zones is only 5%, while in European cities this figure is about 15%.In the regions of Kazakhstan, there are opportunities for the development of socio-cultural potential, therefore it is necessary to take measures, and development programs in the regions that are aimed at the development of social and cultural indicators. And this, in turn, will make all regions attractive and will enable the country's economic growth.

Kazakhstan, it is necessary to develop legal mechanisms to support sponsorship and patronage of the studied area, i.e. socio-cultural. In addition, it is necessary to develop PPP development tools. The socio-cultural sphere is more developed in the megacities of the country, and in the regions, it is underdeveloped, and in the villages, it is not developed at all. Therefore, it is necessary to develop state programs aimed at specific regions and localities. It is necessary to determine the socio-cultural potential of the regions to develop mechanisms to overcome problems and negative aspects in the socio-cultural sphere. Point concentration will make it possible to set goals, the achievement of which will contribute to the development of the industry. In addition, it is necessary to remember about cooperation with international organizations, which will help to raise the image and reputation of the country. It is also necessary to use the results of research activities, i.e. collaborate with the scientific community to achieve the set goals quickly.

5. CONCLUSIONS

The socio-cultural and cultural values determine the peculiarity and differences of individual regions, social groups, and individuals, forming attitudes to the performance of social roles, society, and others. Therefore, it is necessary to make maximum use of what the spirit, talent, and intelligence of generations have been creating for centuries to increase the effectiveness of regional cooperation in all spheres of public life. Consequently, there is an urgent need to modernize the sociocultural environment of the region. For this, the population and state bodies must ensure high-quality education to the economy's needs, form a single cultural space, and have strong moral values. Also, to ensure the formation of an effective, competitive tourist complex, industrial al, raw materials industries that meet international standards.

To create conditions for the development of the socio-cultural environment of the region, it is recommended to form a flexible continuing education system to meet the needs of the socio-cultural and economic development of the region. In addition, emphasis should also be placed on the development of infrastructure and organizational and economic mechanisms, which include a decent level of remuneration and the development and modernization of the material and technical base of cultural facilities in the municipalities of the region to ensure equal accessibility and sustainable improvement of the quality of cultural services in the region. Also, it is important to pay attention to forming networks of exemplary libraries and cultural and leisure institutions for maximum coverage of the population with cultural events. From this comes the need to improve the quality of cultural services and their social significance, the impact on the creation of the cultural environment of the region in order to strengthen moral values, etc.

For the effective development of the socio-cultural environment of the regions, state intervention is required to increase the effectiveness of the measures taken. To do this, we recommend, firstly, the creation of broad opportunities for acquiring the necessary qualifications throughout the working life of the adult population; secondly, the study of the labour market in order to determine the most popular professions; the study of the market of educational services and the needs of consumers of these services; and the organization of interaction with the

employment service to promote the employment of graduates. Thirdly, the creation of an information service to support the adult population on education, development, and assessment of qualifications in the region; and an increase in the number of new places in preschool educational organizations as a result of the construction, reconstruction, and overhaul of preschool organizations as part of the implementation of the state program in the region Fourth, support for cultural institutions by improving their material and technical base in villages and small towns; fifth, the construction of new centres of access to cultural values and the modernization, conversion, and (or) reconstruction of existing buildings in order to adapt them for use as centers of access to cultural values in small towns and rural settlements, etc.

Thus, the listed methods and directions of activity will help to achieve the main result — modernization of the socio-cultural environment of the region, contribution to the development of a system of continuous development, increase its level of compliance with the needs of the economy and the population, the formation of a single cultural space, strengthening moral values, as well as the formation of an effective, competitive tourist complex that meets international standards, ensuring GDP growth.

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