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# **Rural Women Empowerment for Poverty Alleviation in Nigeria: The Situation Analysis, Challenges and Way out**

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## **Abstract:**

Money provides the purchasing power to acquire virtually everything; from food to life, or its elongation. In its severe scarcity poverty sets in resulting in the denial of its victims basic essentials of life. The poor have limited access to basic necessities of life, such as food, clothing, decent shelter, and are unable to meet social and economic obligations. The fate of the Nigerian woman especially the rural ones still remains abysmal, economically. The objectives of this study, therefore, included to ascertain the current economic situation of the Nigerian woman determine the place of the Nigerian rural women specifically in the whole equation and proffer solutions for the way forward. Desk research format is used in gathering data from relevant Nigerian official sources. The data were analyzed in percentage frequencies. The results show that loans granted by commercial bank in Nigeria is in the ratio of 75.86%: 24.14% to the advantage of men. Then, out of the micro-finance loans to women, the real rural women got about 25%. This paper therefore attributes the failure of most poverty alleviation initiatives in Nigeria mainly to the economic negligence of women. It recommends that for the programmes to succeed, women must be empowered first, financially. The implication is that her numerous dependants are piloted out of family poverty history through acquisition of necessary education, skills and attitude at the right stages of their lives.

**Keywords:** Poverty, alleviation, rural, women, empowerment, capacity

## **Introduction**

In a state of poverty, the individual is constantly struggling to provide the needs essential for his or her immediate existence. Often he lacks basic independence to make choices or take decisions. Agara (2007), described poverty as lack of capacity and powerlessness of the less privileged to alter their situation; and Wachtel cited in David et al (1994), analyzed that the misery of those at the bottom of our society is not due to simple lack of goods, but also social and psychological. The poor consequently engages in humiliating and dehumanizing acts. He is a target for exploitation and abuse in a world where human wants are insatiable, Brain (2004). In all these, women are the hardest hit in Africa, especially the vulnerable rural woman. Hemming (1984) is convinced that poverty has an irreducible core, and that there is a lifestyle which in any society would be regarded as poverty. Poverty has proved a major hindrance to successful economic growth for most African States.

The African woman is a natural care giver, provider, educator and nurse. Her body system keeps providing milk even in her severe state of malnourishment. She considers others well above herself. She is usually multi-talented: a home keeper, farmer, small-business holder and peace-builder, yet, the society discriminates against her in most basic economic incentives like loans, farm inputs and fertilizer. Uzuegbunam (2008) clarifies; physically and psychologically, men and women have their differences but in skills and potentials they can perform creditably or discredibly. David et al (1994) also reasoned that as women generally earn less than men, this translates to increased likelihood of poverty in the children. This is notwithstanding that often, women and children are the most vulnerable in crises situation like war and famine, (Eyben et al, 2000).

Poverty could not be alleviated effectively without women as major stakeholders. Gender in Nigeria as in other African countries is a sensitive issue. It as much defines roles, privileges and responsibilities without empirical backing. Every sex acquires its expected role through culture and education. Omideyi (1990) posits that in Nigeria, women are assigned the responsibility to domestic and reproductive activities; whereas men are assumed traditional needs of the households are expected to support their families. Specifically, gender also has its effect in the preferential treatment given to the male child in matter of education, training, entrepreneurship, acquisition of property (inheritance), social status, (Bello, 1987).

If poverty is to be alleviated successfully, therefore, women must be appreciated as a major stakeholder in society and treated on equal footings. She must be equipped with proper education on

the application of enabling instruments like modern equipments/techniques, loans, and an understanding of the relationship between a successful programme and the alleviation of her plight, like her male counterparts. Gilder (1981), substantiated reasons why women need to be at the core of any initiative to alleviate poverty in families. He emphasized that women direct involvement in the planning and implementation of poverty alleviation programme is a sine quo non for poverty eradication in most families.

## **Problem Statement**

According to Shekarau (2012), the International Federation of Women Lawyers (FIDA) has recommended gender based banking as a means of encouraging rural women to participate more in economic activities in Nigeria. This, FIDA (2012) says is because the Nigerian rural women were usually faced with difficulty while trying to seek business loans. Shekarau (2012) adds that rural women needed encouragement from the banking sector through the reduction of requirements for opening bank accounts and seeking bank loans. She said, ``Women are a driving force in the economy, but their access to finance is still far too small. Gender based banking should be encouraged to address stringent account opening conditions, which currently exist."

Unarguably, such stringent conditions had made it difficult, unattractive and discouraging for women, particularly those in the Nigerian informal sector to open bank accounts for accessing loans. Thus, it is important to address the economic inefficiencies and social inequities that always make it very difficult for aspiring businesswomen in Nigeria to realise their full potentials because of gender inequality.

Again on women's educational inequalities in the country, Shekarau (2012) said women in Nigeria needed incentives that would encourage adult education. She said that globally tested initiatives could be introduced for market women so as to enable them to have basic skills.

Then, Vanguard (2012) reports that women in Nigeria are worse off than men in many facets of life. For instance, regardless of their educational qualifications, Nigerian women not only occupy fewer positions in the public sector, but earn consistently less income than their male counterparts. Statistically, women occupy fewer than 30 percent of all posts in the public sector and only 17 percent of senior positions. In addition, nearly five times as many judges and permanent secretaries are men rather than women.

British Council (2012) observes that while income equality in the formal sector has grown over the years, only one in every three employees in the privileged non-agricultural formal sector is a woman. Worse still, only 15 percent of Nigeria's 80.2 million women operate bank accounts and a woman is three times less likely than a man to receive a bank loan. There are 54 million women who live and work in rural areas and even though women constitute 60-79 percent of the rural workforce, a woman is five times less likely to own land than a man. And despite being better educated than their male peers in the micro-enterprise sector, women are less likely to secure loans and three times less likely to be employed (British Council (2012)).

All these facts paint a picture of the appalling situation of the Nigerian woman, even though Sanusi (2012) has assured that 2012 is the year for women economic empowerment in Nigeria, noting that under the new thinking, a fund would be set up this year where the women could draw soft loans from. He said this is in recognition of women's invaluable role in creating wealth and the low risks associated with lending to women compared to men adding that though women are more in population in Nigeria, they are the most poor.

## **Study Objectives**

The objectives of this study, therefore, included:

- (i) To ascertain the current economic situation of the Nigerian woman generally.
- (ii) To undergo a comparative analysis of bank loans to Nigerian men and women.
- (iii) To showcase the place of the Nigerian rural women specifically in the whole equation.
- (iv) Proffer solutions for the way forward.

## **Methodology**

In this situation analysis study (SAS), desk research format is used in gathering data from relevant Nigerian official sources. The data so gathered are analyzed in percentage frequencies. While graphs, pie charts and pie-charts were employed in the presentations for better appreciation.

## **Theoretical Framework**

The theoretical construct for this study hinges on the equality of sexes (men and women) policy as a better governmental policy for holistic societal development. Arguments in gender topics more often kick off from the liberal feminist theory standpoint that social and economic opportunities are not equitably distributed and that women are disadvantaged with respect to these opportunities including tangible resources. Despite the fact that Nigerian gender analysts have informed the policy makers, governments and development agencies, about the need to reconsider women in

development planning and policies as a result of women innate potentials in nation building, marginalization against women has continued (Uzuegbunam op cite). Unequal access to societal resources has negative influence on the overall output and benefits.

This is supported by Agenda 21, 1992 of the United Nation. The UN Earth Summit also made emphasis on adoption of the convention on Elimination of all forms of discrimination against women. In 1993, Human Rights World Conference recognized the inalienable rights of women and girl children as parts and parcel of universal human rights. Conference on population and development held in Cairo in 1994 emphasized women empowerment for equitable development, the 1995 World Summit for social development and recognition to gender equity as the core strategy for economic development and environmental protection. There was of course the 1995, Beijing World Conference that declared end of all barriers to gender inequity. All these buttress the stand of this study.

## LITERATURE REVIEW

### 1. Facts About Poverty In Nigeria

Poverty rate in Nigeria is alarming. It appears to be institutionalized by the same government who portends to fight it. Wages and salaries are fixed for civil servants in accordance with the constitutional provision section 16 (2) (d), of 1999 constitution. The state shall direct its policies towards ensuring that suitable and adequate shelter, suitable and adequate food, reasonable national minimum living wage, ---. Therefore the minimum paid worker is entitled to a living wage. A wage he can utilize to live a meaningful life for a minimum of 28 days when another is expected.

**Table 1: National Salary Structure: Effective date: 1<sup>st</sup> January, 2007.**

Con pss	1 N	2 N	3 N	4 N	5 N	6 N	7 N	8 N	9 N	10 N	11 N	12 N	13 N	14 N	15 N
01	133584	136498	139412	142326	145240	148154	151068	153982	156882	159810	162724	165638	168552	171466	174380
02	135754	139564	143374	147184	150994	154804	158614	162424	166234	170044	173854	177664	181474	185284	189094
03	137607	142290	146973	151656	156339	161022	165705	170388	175071	179754	184437	189120	193803	198486	203169
04	144143	149769	155395	161021	166647	172273	177899	183525	189151	194777	200403	206029	211655	217281	222907
05	163329	169865	176401	182937	189473	196009	202545	209081	215617	222153	228689	235225	241761	248297	254833
<b>06</b>	<b>199145</b>	207112	215079	223046	231013	238980	246947	254914	262881	270848	278815	286782	294749	302716	310683

07	330681	342908	355135	367362	379589	391816	404043	416270	428497	440724	452951	465178	477405	489632	501859
08	427322	441875	456428	470981	485534	500087	514640	529193	543746	558299	572852	587405	601958	616511	631064
09	501960	519287	536614	553941	571268	588595	605922	623249	640576	657903	675230	692557	709884	727211	744538
10	589236	608290	627344	646398	665452	684506	703560	722614	741668	760722	779776	798830	817884	836938	855992
12	679669	709224	738779	768334	797889	827444	856999	886554	916109	945664	975219				
13	758579	789825	821071	852317	883563	914809	946055	977301	1008547	1039793	1071039				
14	837855	871493	905131	938769	972407	1006045	1039683	1073321	1106959	1140597	1174235				
15	1152648	1200288	1295568	1295568	1343208	1390848	1438488	1486128	1533768						
16	1425883	1483138	1597648	1597648	1654903	1712158	1769413	1826668	1883923						
17	1741808	1807992	1874176	1940360	2006544	2072728	2138912	2205096	2271280						

Source: National Salaries, Income and Wages Commission, the presidency, Abuja.

Consolidated Public Service Salary Structure (CONPSS), 2007.

Table 1 above is a typical federal salary structure of the 2007 articulated, consolidated salary structure recommended by the National Salaries, Income and Wages Commission (NSIWC). The minimum wage of Grade Level 01 step 1: the minimum point of entry for paramilitary is N133,584 per annum. The paramilitary enjoys higher and special salary structure above other civil servants. For want of space and better appreciation analysis of actual value of the money paid will be based on level 6 step 1. The worker earns N199,145, i.e It covers for each month = approximately 16,600 minimal expenditure.:

Transportation – 100 x 20 (working days)	=	2,000
Meal subsidy – 100 x 20 (working days)	=	2,000
Hazard	=	1000 (May or may not be used)
House maintenance ie.	=	3,000 (detergent, soap, water)
Feeding – 600 for 3 meals = 600 x 28 days	=	16,800
Healthcare	=	2000
Education (self development)	=	nil
Fuel	=	N2000 (cooking & lighting)
Uniform maintenance	=	500

Total amount required for one month        =        29,300

These exclude social life and care of any dependant. The actual salary of N16,600.00 a month places him on about US\$1.1 a day while the calculated N29,300.00 is feasible for a level 08 step 1 staff – a senior staff i.e. US\$2 per day. Expectedly most workers on level 08 could be within the age 25-30yrs and with a family number of about 4, including himself. Should level 08 and below officers of the federal government live below poverty level the state government category should be from level 12, and almost every worker of private indigenous establishments should all be living in penury. Ironically productivity, price and income department in Nigeria claims to keep prices under continuous surveillance, and also interpret price movement. Based on the outcome of these, the National Salary Income and Wages Commission determine the trends in price movement and form basis for recommending annual income policy guideline. One then wonders how they arrived at 7,500.00 and 18,200.00 respectively. Therefore World Bank 2006, statistics figure of 75% of Nigerian population living on less than US \$ 150 per annum must be correct (Chilokwu & Nwankwo, 2008), must be correct.

The 2011 salary scale of N18,200.00 minimum wage is as irrelevant as it is inoperative. On May 16, 2012 Zamfara state civil servant, for example began industrial action and down tools for its non-implementation. Just a week earlier, Lagos State government purportedly sacked all medical doctors in its employ for failure to reach agreement on their salaries and allowance.

Meanwhile secretary of the NSIWC, Egbule (2008), regretted that the law does not empower the commission to punish anybody or organization that refused to comply. Nigerian state has variously been ranked among the 20 poorest countries in the world with more than 30 percent of its citizens living below the poverty level of US \$1 a day. By inference more than 30 percent of Nigerians are very poor. Development statistics released from the National Economic Empowerment Development Strategy (NEEDS, 2007), in some detail suggests that more than 70 percent of the population lives below poverty line. The literacy rate is 57 percent, there are fewer than 30 physicians per 100,000 people. More than 5 million adults were estimated to be living with HIV/AIDS, and only about half the population had access to safe drinking water. On the May 19, 2012, Governor of Plateau State in Nigeria in line with Nigeria declared state of emergency on its health sector. He lamented that Nigeria is among the only three countries yet to eradicate polio mellitus. Unfortunately, Nigeria trails behind Pakistan and Afghanistan. And DFID focusing on equality, productivity and education rates Nigeria gender inequality index at 118 out of 184

countries (African Independent Television, 30/05/12). Onabanjo (2009), averred that there are near total decay of infrastructure in the nation. Roads in particular have become almost impossible, not to talk of water, hospital facilities, among others. He tended to have forgotten the epileptic or near absence of electricity supply that is dealing with the economy of individuals and organization; frustrating self reliant projects as well as shutting down companies with the attendant rise in unemployment and depletion of the purchasing power of many more Nigerians. It is quite obvious that Nigeria is becoming more or less a failed state – we are worse of now than ever before, (Akinola R., 2009). Centre for Human Right Research and Development (2003) sees the scenario as a case that is perfectly illustrated by the fact that a minority 20 percent of Nigerians controls half of the country’s entire wealth and the poverty gap is still widening. Embarrassingly Nigeria’s ranking in its First Republic (1960 - 1967) as the 50th richest country degenerated to a tragic 25th world poorest nation. A tragedy Akintoye (2008) attributed to a fall from 75 percent manufacturing industry contribution to the Gross Domestic Product (GPD), to 3 percent contribution in 2008.

**Table 2: Poverty and Hunger Profile of Nigerians**

<b>Year</b>	<b>Estimated Total Population (millions)</b>	<b>Poverty incidence (%)</b>	<b>Population in poverty (millions)</b>
1980	66	28.1	17.7
1985	75	46.3	34.7
1992	91.5	42.7	39.2
1996	102.3	65.6	67.1
2001	125	70	87.5
2003	132	70	92.4
2006	140	75	105.0

**Source: Federal Office of STATISTICS, 2007.**

Internationally Nigerians unacceptable poverty rate documented by the World Economic Forum cited in Tell (2009), ranked Nigeria out of 133 countries survey;

99<sup>th</sup> Economy

112<sup>th</sup> Corruption

127<sup>th</sup> Wasteful expenditure

Others did not rank her economy any better. World Bank International Financial Corporation placed her 125<sup>th</sup> among 132 economies, while United States Agency for International Development (USAID) (2009), declared that 138.6 million out of the estimated 140 million entire population survives below poverty level of one US dollar a day. Other demographics cited to strengthen Nigeria's dismal penury is better appreciated when related to its consequential disadvantages.

According to David et al (1994), the stress associated with subsistence living increase the probability of child abuse. Nigeria has the highest tension index in the world, far greater than some nations at war, as reported in Tell (2009). That was in the absence of the present menace of the Boko Haram sect which has worsened the misery index in the society. This is why Onabanjo (2009), alerted that the nations current security landscape contains potential threats, such as sectarian violence and crises, communal clashes, kidnapping, cultism, killing and robbing, vandalism, proliferation of light weapons and small arms, terrorism and human trafficking, all leading to heightened tensions in a poverty-ridden society.

### **Government Interventions on Poverty Alleviation**

There have been government interventions on poverty alleviation in Nigeria without much success. The following represent some poverty alleviation agencies and years of establishment as recorded by Alobiloye (2008).

**Table 3: Some Poverty Alleviation Agencies in Nigeria & Year of Establishment**

<b>S/N</b>	<b>Agency</b>	<b>Year of Establishment</b>
1	Nigerian Agricultural Cooperate Bank (NACB)	1972
2	Nigeria Agricultural and Rural bank (NARB)	1973
3	Agricultural Development Projects (ADPs)	1975
3	Agricultural Credit Guarantee Scheme	1977
4	National Agricultural Insurance Scheme (NAIS)	1981
5	River Basin Development Authority (RBDA)	1986
6	National Directorate of Employment (NDE)	1986

7	Federal Agricultural Coordinating Unit (FACU)	1986
	Nigeria Agricultural Insurance Company	1987
8	Directorate of Foods, Roads & Rural Infrastructure (DFRRI)	1989
9	Peoples Bank of Nigeria (PBN)	1989
10	Federal Urban Mass Transit (FUMT)	1989
11	National Agricultural Land Development Agency (NALDA)	1989
12	National Commission for Nomadic Education (NCNE)/Riverine	1989
13	Population Activities Fund Agency (PAFA)	1990
14	National Primary Health care Agency (NPHCDA)	1990
15	National Board for Community Banks (NBCB)	1991
16	National Commission for Mass Literacy (NCML)	1999
17	Family Economic Advancement Programme (FEAP)	1997
18	Universal Basic Education Programme (UBEP)	2000
19	Nigeria Agricultural Cooperate & Rural Development Banks (NACRDP)	2000
20	National Economic Employment and Development Strategy (NEEDS)	2004

**Source: Various publications**

Like in America, whenever war on poverty begins in any society, the poverty level will start dropping (David Leone, 1994). The data on table 3 showcase obvious efforts by various Nigerian governments at fighting poverty. These came after the setting of the Ahmed Joda panel of enquiry (1999) and the Ango Abdullahi committee (2000).

Programmes set up for formal education include; UPE, ALP, NCNE and now UBEP. Financial sector initiatives are NACB, PBN, NRF and in the Health sector are NDHCDA, NPI and guinea worm eradication.

All the above effort to consolidate similar programmes for better result did not however stop the President Obasanjo led Federal government from introducing NAPEP in 2000. It incorporates “Youth Empowerment Scheme (YES), Mandatory Attachment Programme (MAP) Capacity

Acquisition Programme (CAP) and Credit Delivery Programme. Any of its advantage could have been articulated into the existing NACRDB. Presently, NAPEP is focused to create steady real income. Each aspect of the main programme is for skill acquisition by non-graduates and graduates of tertiary institution respectively. On completion, a participant could be employed or be self reliant through loan granted by designated banks.

Nasarawa is a state in Northern Nigeria. Data on table III below shows the extent of youth interest and participation in NAPEP in the 13 local government Areas.

### **Poverty Alleviation Programmes Targetted on Nigerian Women**

A few of the poverty alleviation programmes in Nigeria have specifically targeted the womensfolk. They include the Better Life for Rural Women Programme (BLP), founded by ex-First Lady, Mrs. Miriam Babangida, the Family Support Programme (FSP) founded by another ex-First Lady, Mrs Marian Abacha and the Family Economic Advancement Programme by the federal government. The World Bank assisted Fadama programme has also been of much benefit to rural women farmers in Northern parts of Nigeria. For instance, according to Malam Aminu Adamu Musa The Fadama III Project coordinator in Kano State, some women cooperative Fadama farmers at Unguwar Chiroma, Ganjin Makoda, were given N540,000.00 loan through Danbatta Makoda Microfinance Bank. Musa said this during a disbursement ceremony at Ganji Village in Makoda local government, appealing to the group to re-invest the loans to expand their agricultural enterprises. Mal. Usman Aliyu, stated that one of the bank's policies is to provide loans to rural communities in order to increase food production, employment and reduce rural poverty

### **Assessment of the Poverty Alleviation Programmes**

NAPEP is considered a complete failure in the states by many, while the MAP and CAP programmes terminated since 2005. Again the impacts of NEEDS has not been felt, as it has scored very low in the areas of wealth creation, employment generation and poverty reduction (Ezeugwu, 2009).

In the East of Nigeria, under the umbrella of NAPEP state governments buy cars and buses. They are distributed among unemployed youths on hire purchase for a down payment of N400,000.00 for cars as taxi cabs. The balance will be paid by installment of N3,000.00 a day. No poor person can afford N400,000.00. (Anugwom, 2006). Specifically Olayemi, (1995) says the poor have no access to basic necessities of life such as food, clothing, decent shelter. They lack skills and employment. Sancho (1996), added that the plight of the poor in Nigeria include lack of adequate

level of education and inability to satisfy their basic health needs, stressing that basic education is incomplete unless a child has received occupational/vocational education.

The result of census conducted in Nigeria attest to a proportion too large to be ignored or marginalized in building the economy.

#### **Nigeria Census Figures (1963 – 2006)**

s/n	Year	Total pop. (in million)	Women (in million)%	Men (in million) %
1 <sup>st</sup>	1911	16,054	8.20 (51.1)	7.85 (48.9)
2 <sup>nd</sup>	1921	18.7	9.72 (52)	8.97 (48)
3 <sup>rd</sup>	1931	21	10.92 (52)	10.08 (48)
4 <sup>th</sup>	1953	31	16.3 (52.5)	14.7 (47.5)
5 <sup>th</sup>	1963	55.63	28 (50.5)	27.63 (49)
6 <sup>th</sup>	1973	79.75 UN estimate (59.66)	Not available	Not available
7 <sup>th</sup>	1991	88.99	Not available	Not available
8 <sup>th</sup>	2006	140.03	68.29 (49)	71.7 (51)

**Sources:** *Europa Publications Limited (9th edition). The Guardian, January 11, 2007 and Nigerian Tribune January 10, 2007.*

Adegoke (2005) asserts that there are more females in gainful self employment than wage employment. Mariara cited in Agboola (2008) reiterated that in Nigeria, a larger proportion of women are found in the informal sector as a result of the restrictions placed on employment in the formal sector. Majority of women cannot afford idleness. On the contrary, men have a limit to which they can debase their ego. As the women are challenged with discrimination from formal institutions, they resort to social infrastructure to source employment and social capital. According to Kauda (2009), women experience greater difficulties in accessing bank loans and therefore rely a lot more on family as a major source of capital.

#### **DATA ANALYSIS**

**Analysis of Objective 1:** To ascertain the current economic situation of the Nigerian woman generally vis-à-vis the male counterparts.

**Test Table 1: Secondary Data from all the Branches of One Commercial Bank for the month of July, 2010.**

Case No	Sex	Amount applied for (in millions)	Amount approved (in millions)	Interest rate (%)	Period of loan (in months)	Purpose of loan
1	M	28	28	24	30	Real estate
2	M	23	20	23	22	Transport and communication
3	M	85	85	22	25	Building and construction
4	F	40	30	23	21	Trade and commerce
5	M	23	23	22	24	Trade and commerce
6	M	30	30	25	24	Personal loans
7	M	20	20	25	24	Trade and commerce
8	M	20	20	24	25	Building and construction
9	M	65	65	23	25	Building and construction
10	M	1000	1000	25	24	Building and construction
11	F	30	20	25	24	Poultry and piggery farming
12	M	40	30	23	24	Agriculture marketing
13	M	30	20	25	24	Manufacturing building
14	M	30	30	24	24	Trade and commerce
15	M	50	50	24	24	Trade and commerce
16	F	35	20	25	24	Trade and commerce
17	F	30	20	24	24	Trade and commerce
18	M	60	25	24	24	Trade and commerce

19	F	30	25	25	24	Trade and commerce
20	M	30	20	24	24	Trade and commerce
21	M	40	40	22	24	Trade and commerce
22	F	40	25	25	24	Trade and commerce
23	M	20	20	25	24	Manufacturing foods and beverages
24	M	23	23	25	24	Trade and commerce
25	M	40	40	24	24	Trade and commerce
26	M	50	50	23	24	Trade and commerce
27	F	30	20	25	24	Trade and commerce
28	M	70	70	23	30	Real Estate
29	M	70	40	23	24	Personal loans

**Source: Financial Institutions Trust Company (FITC, 2010).**

The data displayed on table 1 above show that a total of 29 individuals were given loans by the commercial bank in July 2010. Out of these loan beneficiaries, 22 representing 75.86% were men, while only 7 representing 24.14% were women. This shows how the women are being marginalized in the country in commercial banks loans.

Again, out of the total amount of ₦1billion, Eight Hundred and Eighty Nine Million Naira (₦1, 889,000,000) granted within the period, the men got about 93%, while the women got only 7% of the money. Showing that even in monetary terms, the women did not fare any better.

**Analysis of Objective 2:** To undergo a comparative analysis of bank loans to Nigerian men and women

**Test Table 2: A comparative record of Microfinance Bank Loans in monetary terms to Men/Women in Kano State Nigeria, Between 2005-2010.**

Year	Men (Amount in ₦ millions)	Women	Percentage Ratio
------	----------------------------	-------	------------------

2005	204,000,000	3,120,000	98.50%:1.50%
2006	216,000,000	3,418,000	98.44%:1.56%
2007	180,000,000	3,200,000	98.24%:1.77%
2008	248,000,000	3,320,000	98.68%:1.32%
2009	314,000,000	4,118,000	98.70%:1.30%
2010	362,000,000	4,220,000	98.85%:1.15%
Total in million ₦	1,524,000,000	238,196,000	

**Source: FITC (2011), record of Microfinance Bank Loans in monetary terms to Men/Women in Kano State Nigeria, Between 2005-2010.**

The data displayed on table 2 above show that in year 2005, the men got micro-finance loans of ₦204 million representing 95.50%, while women got ₦3.12 million or 1.50%. In 2006, the men received ₦216 million (98.44%), while the female counterparts got ₦3.418 million (1.56%). In 2007, the male got ₦180 million (98.24%), while the female got ₦3.22 million (1.75%). In 2008, men got ₦248 million (98.68%), while women took home ₦3.32 million (1.32%). In 2009, men garnered ₦314 million (98.70%), while the women received ₦4.118 million (1.30%). In 2010 which is a pre – election year, the loan to men went up to ₦362 million (8.85%), while the women got only ₦4.22 million (1.15%).

These show that the women were in a serious financial disadvantage positions in all the years under review. On the men to women ratio that obtained the loans, test table 1.3, shows that in 2005, more men than women also applied for and got the loans.

**Test Table3: Men to Women Ratio that obtained the Micro-finance Loans in Kano, 2005-2010.**

Year	Number of Men	Number of Women	Percentage	Aggregate per person
2005	117	33	₦ 1,740,000	₦ 194.000
2006	116	31	₦ 1860,000	₦ 110,258
2007	105	29	₦ 1,714,285	₦ 111,034
2008	115	30	₦ 2,156,521	₦ 110,666

2009	108	35	₦ 2,907,407	₦ 117,657
2010	130	42	₦ 2,784,615	₦ 100,476
Total	691	200	₦ 2,193,804	₦ 107,349

**Source: FITC (2011), record of Microfinance Bank Loans in monetary terms to Men/Women in Kano State Nigeria, Between 2005-2010.**

Analysis of Objective 3: To showcase the place of the Nigerian rural women specifically in the whole equation.

**Test Table4: Urban Versus Rural Women Loan Acquisition Comparison in Nigeria, 2005 – 2010.**

Year	Number of Urban Women	Number of Rural Women	Aggregate Ratio
2005	24	9	72:72% : 27.27%
2006	23	8	74:19% : 25.81%
2007	22	7	75.86% : 24.13%
2008	24	6	80% : 20%
2009	27	8	77.14% : 22.86%
2010	30	12	71:43% : 28.57%
Total	150 (75%)	50 (25%)	

**Source: FITC (2011), record of Microfinance Bank Loans in monetary terms to Men/Women in Kano State Nigeria, Between 2005-2010.**

Out of 33 women that secured micro finance loans in 2005, 24 (74.72%) were city ladies, while 9 (27.27%) were rural women. Of 31 that got the loans in 2006, 23 (74.19%) were city ladies, while 8 (25.18%) were rural women. In 2007, out 29 women that secured the loans, 22 (75.86%) were city ladies, while 7 (24.13%) were rural women. In 2008, out of 30 women that got micro-finance loans, 24 (80%) were city ladies, while only 6 (20%) were rural women. In 2009, out of 35 women that secured the loans, 27 (77.14%) were city ladies, while only 8 (22.86%) were rural women. Finally, in 2010, out of 42 women that got the loans in this ‘vital pre-election year,’ 30 (71.43%) were city ladies, while 12 (28.57%) were rural women.

These results show that in the entire years understudy, the city ladies took a larger chunk of the micro-finance loans, to the detriment of the real rural women, most of whom are either farmers or engaged in petty trading.

## Summary of Results

From the analysis of the research objectives therefore, the following results were obtained:

- (i) Out of every 5 individuals granted commercial bank loans in Nigeria, 4 are most likely to be men, while women could only get 1, (75.86% : 24.14% ratio).
- (ii) Out of total amount of commercial bank loans granted each year understudy, men got 93%, while women got only 7%.
- (iii) For the micro-finance loans, men on the aggregate took home 97%, while their female counterparts received only 3%.
- (iv) Then, out of the micro-finance loans to women, city ladies captured around 75%, while the real rural women can get about 25%.

## Discussion

There is every reason to believe that in every society, when women are empowered economically, it enhances the quality of family lives than when men are empowered. This is buttressed by the result of a discriminatory farming incentive to rural women in one Nigerian local government as follows:

### **Growth Enhancement Program (GEP): Farmers computerized registration**

In the programme, two bags of fertilizer were given to each farmer at a 50% federal and state government subsidy. They were also allocated improved grains and stems. Each farmer is entitled to 40kg of the fertilizer. However, any farmer with capacity to cultivate more is entitled to more on application.

**Table 5: List of the first 500 farmers that had collected fertilizer and farm imputes were as follows:**

BATCHES	WOMEN	MEN
1 <sup>st</sup> 100	80	20
2 <sup>nd</sup> 100	83	17
3 <sup>rd</sup> 100	83	17
4 <sup>th</sup> 100	91	09

5 <sup>th</sup> 100	85 (84.4%)	15 (13.6%)
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**Source: Enugu North Local Government, 2012.**

On the whole out of 500 participants, 422 (84.4%) were women, while 78 (13.6%) were men. This led to increased bumper harvest, resulting in more than enough food that were sold, and thus enhanced the standard of living of these farming families. It thus confirms that constructive rural women empowerment is a significant factor in poverty alleviation efforts in Nigerian.

Again, UNDP (1987), has deflated the assumption that men, not women make the key farm management decisions for which agricultural extension services in Nigeria have focused on men, neglecting the women that constitute about half of the production force. World Bank (1995), cited in Daramola and Oluwurun (2007) recorded that women are responsible for an estimated 60-80 percent of agricultural labour in Africa and constitute about 70 percent of the poor. Clearly if they could access needed resources, Nigeria domestic food supply cannot continue to be augmented through large scale imports of about US\$3b annually. UNDP in 2009 lamented that 170 million children, one in every three suffer from malnutrition. With the 9.5 million children recognized by the Nigerian President as being out of conventional schools, a conservative estimate of about 15 million will go for the whole country. One of the most valid generalizations about the poor is that they are disproportionately located in the rural areas and that they are primarily engaged in agricultural and associated activities, (Desai, 1999; Agumagu, 2000). Yet a way out of poverty is through education, skills acquisition and by imbibing right attitudes and values, Ezekiel (2008). So, until women are empowered financially, the fate of most poor families in Africa, especially the rural people may not change.

### **Recommendations**

1. A more favourable participatory environment should be created for especially working mothers in Nigeria.
2. As women are equipped to play their roles in developing the economy, government should be ready with necessary infrastructure and ready market, internally and externally. History tells that women expand most institutions they join; the civil service and the education sectors, for example.
3. Political and citizenship education must be extended to rural women. They should allow space for political discussions/debates in their local social gatherings.

4. The policy of 30 percent mandatory elective positions for women should be adhered to. Society is restructured at the policy making level and women need to be part of it to change their fortune.
5. The Brazilian styled education finance equalization policy should be introduced in Nigeria, so as to prohibit discriminatory educational decisions against the girl-child in Nigeria.
6. Finally, in all, nobody can do it for the women but the women. “--- This is our challenge, and our overwhelming responsibility.” (Martin Luther King Jnr., in Jones et al (2003).

## **Conclusion**

The fate of the Nigerian woman especially the rural ones still remains abysmal, economically. She is not usually accorded equal opportunity to financial and other economic aids on the age-old belief that her rightful place is the kitchen. Nigeria's poverty alleviation programmes with core goals of wealth creation, poverty reduction and value orientation via a three pronged strategy of empowering people, promoting private enterprise and changing the way government works, have not helped the matter much. Since independence, in 1960, the poverty problems of the rural woman in Nigeria have not shown any sign of improvement. This study has established beyond doubt that if the rural women capacity is substantially built to the level that most of them develop skills and gain independence to take decision, and take responsibility or credit for its outcome, and, is empowered economically, it will go a long way in boosting and sustaining the quality of life of most families in Nigeria and by extension Africa in general, thereby helping to stabilize the family and the society.

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# **A Critical Study on Work-Life Balance. A Case of Teaching Faculty at Loyola Institute of Technology and Science, India and All Nations University College Ghana**

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## **Abstract:**

Work life balance has become a predominant issue in recent times due to conflicting responsibilities and commitments of employees at the work place. The issue of a balance work-life has permeated through the field of academia, thus generating the need for stakeholders to respond with work-life policies and flexible work arrangements.

Loyola Institute of Institute of Technology and Science, India and All Nations University College, Ghana are the study areas for this research. In all a total sample of hundred and seventeen (117) out of hundred and ninety –six (196) available population from the two Colleges were chosen for this study.

The study reveals the existence of a relation between policy for work-life management and Lecturers effectiveness at their work places.

**Key Words:** Work/life balance, Work/life balance policies and programmes, All Nations University College, Loyola Institute of Technology and Science.

## INTRODUCTION

The term work-life balance was coined in 1986, although the usage in everyday language was random for a number of years. Work-life balance is a broad concept including proper prioritizing between “work” (career and ambition) on the one hand and “life” (Health, pleasure, leisure, family and spiritual development) on the other. Related, though broader, terms include “lifestyle balance” and “life balance”. Interestingly work-life balance programs even existed as early as the 1930’s, before world war II. Factors such as global competition, renewed interest in personal lives/family balance and aging workforce has contributed to interest in, and the importance of serious considerations of work-life balance. Thus the demand for work-life balance solutions by employees and employers is expanding at an unprecedented rate. This has resulted in work-life balance becoming an increasingly topic in sectors such as educational and the health sector in general.

This study presents a study from two Private Colleges in India and Ghana, namely Loyola Institute of Technology and Science and All Nations University College respectively that is carried out to gain information on the faculty members experience of work-life balance policies and practices.

The concept of work-life balance is based on the notion that paid work and personal life should be seen as less competing priorities than as complementary elements of a full life. In the light of this, it has become is important for employers to support work-life balance to comply with legal requirements that afford working parents the right to request to work flexibly, to promote equality of opportunities by ensuring that staffs with caring responsibilities are not disadvantaged in the workplace, and to widen access to paid work and career opportunities. To in other to realize this, employers are required to demonstrate the benefits that can be derived from employment policies and practices that support work-life balance. Several management stakeholders believe that work-life balance programs and policies when embraced in work settings and environment enhances employment satisfaction and work productivity.

Loyola Institute of Technology and Science, India and All Nations University College, Ghana which is the case study areas has laid down programs and policies for its faculty members such as study leave, maternity leave, sick leave, regular get together, employee referral scheme as well as organizational support in the form of social clubs, pre retirement club etc which literally is supposed to enhance satisfaction on the part of the workforce.

Thus a planned and systematic review process of young private tertiary institutions and colleges in areas such as a balanced work-life produces quality outcomes of faculty members.

### **Objectives of study**

1. To find out if productivity is dependent on work life balance programmes and policy.
2. To gain an insight into the views of faculty members from both Institutions on productivity and work life balance.

### **Statement of problem**

The issue of work-life balance has become a predominant subject in workplace. Employees raise concerns regarding the subject and employers on the other hand have responded to such plea by addressing issues raised by their employees through the implementation of work-life programs and policies. However this study, seeks to find out whether there is any potential correlation between work-life programs and employee productivity

## **LITERATURE REVIEW**

### **Defining work/life balance**

*Rosabeth Moss Kanter's Seminal book (1977), work and family in the United States: a critical review and agenda for research and policy* brought the issue of work life balance to the fore front of research and organizations. Life is a balancing act, and in American society, it is safe to say that almost everyone is seeking work/life balance. But what exactly is work/life balance? We have all heard the term, and many of us complain that we don't have enough of it in our lives.

Juggling competing demands is tiring if not stressful and brings lower productivity, sickness, and absenteeism, so work/life balance is an issue for all employees and all organizations". The meaning of work/life balance has chameleon characteristics. It means different things to different groups, and the meaning often depends on the context of the conversation and the speaker's viewpoint. (*Guest, 2002; Dex, 2003*). The following are working definitions of terms used regarding work/life balance; some definitions overlap and some are continuing to evolve.

Work/family: a term more frequently used in the past than today. The current trend is to use titles that include the phrase work/life, giving a broader work/life connotation or labelling referring to specific areas of support (e.g., quality of life, flexible work options, life balance, etc.)

Work/family conflict: the push and pull between work and family responsibilities.

Work/life balance from the employee viewpoint: the dilemma of managing work obligations and personal/family responsibilities.

Work/life balance from the employer viewpoint: the challenge of creating a supportive company culture where employees can focus on their jobs while at work.

Family-friendly benefits: benefits that offer employees the latitude to address their personal and family commitments, while at the same time not compromising their work responsibilities.

Work/life programs: programs (often financial or time-related) established by an employer that offer employees options to address work and personal responsibilities..

Work/family culture: the extent to which an organization's culture acknowledges and respects the family responsibilities and obligations of its employees and encourages management and employees to work together to meet their personal and work needs. (<http://164.36.164.20/work-lifebalance/index.html>).

## **RESEARCH METHODOLOGY**

### **Primary and Secondary Data**

Primary data involved direct information obtained through the administration of questionnaires to the staff/faculty members of the two Universities. It is however essential to note that for the sake of accuracy closed ended questions were mostly used.

Secondary data involved information in the form of articles and journals from the internet, information from websites of the various Universities, dailies, magazines, interviews as well as observation guides.

## **Data Collection Procedure**

Secondary data collected from Loyola institute of Technology and Science was done by monitoring and communication processes throughout the researchers two month stay at the premises of the College. Questionnaires as made clear in the opening of this chapter were administered to the staff/faculty of the two Colleges. In All Nations, the distribution and collection of questionnaires was coordinated by the Deputy Registrar of the College and thereafter posted for analysis. Telephone correspondence and emailing was also used in the data collection for swot analysis.

## **Sampling and Population size**

Available sample of non-probability samples was used from two Colleges in soliciting for response since the available respondents in both Universities numbered up to hundred and seventeen (117) out of an overall population of one hundred and ninety-six (196). Precisely sixty-four (64) respondents from All Nations University College and fifty-three (53) respondents from Loyola Institute of Technology and Science responded to the questionnaires.

A five point Likert type scale has been used in the schedule to obtain frequency needed for testing the hypothesis on productivity of faculty being dependent on selected work life balance programmes and policies as per this study.

Six (6) variables of work-life balance programme and policy options have been considered for study. Since the data primarily shows a uniform distribution, a parametric method (chi- square) is adopted to test the hypotheses. The Six (6) variables considered for the study are as follows.

- Annual leave and public holiday leave
- Flexible working hours
- Training leave
- Maternity leave
- Study/ Exam leave
- Work place Health promotion

## **Pre-testing the survey instrument and pilot survey**

The questionnaires that were circulated were checked for its general content, validity and thoroughness. The noteworthy advice and comments from my supervisor, Dr. Satheesh Kumar were

incorporated in the final survey instrument. The supervisors further checked the instrument to ensure that the questions were unambiguous and answerable before they were finally administered. Again a pilot study was embarked upon through using telephone interviews and observations. Triangulation technique was employed in this study to ensure validity of findings.

### **Tools of analysis**

Analytical tools such as parametric test, standard deviation, frequency distribution, charts as well as percentages obtained via the use of statistical package for social sciences (SPSS) was used in analysing responses obtained through questionnaires circulated.

### **DATA ANALYSIS**

Table 4.3 Frequency of depressed respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sometimes	107	91.5	91.5	91.5
	Often	10	8.5	8.5	100.0
	Total	117	100.0	100.0	

Table-4.3 indicates that great number of the respondents, precisely 107 sometimes feel depressed as a result of their current work. The remaining 10 often experience depression at their work place.

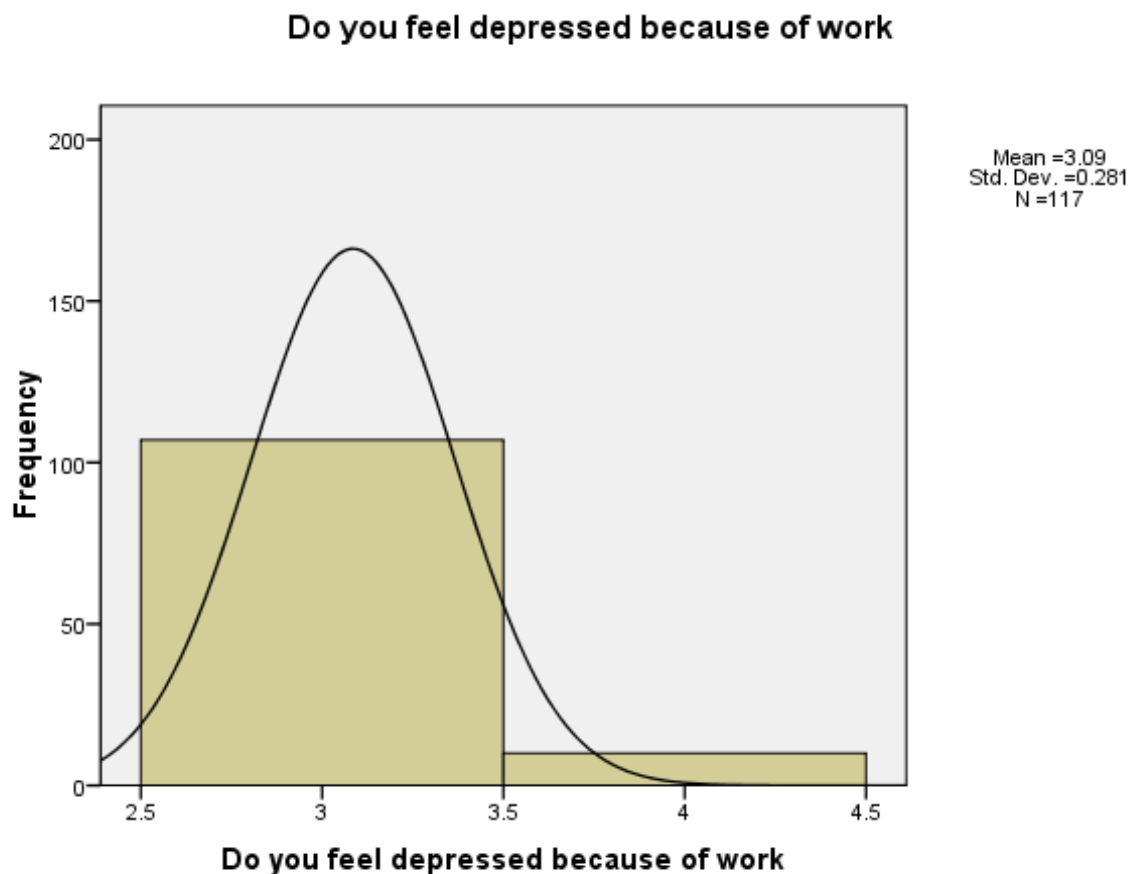


Figure 4.0

Figure 4.0 above is a histogram showing normal curve of how respondents feel depressed because of work. There is Std. Dev of 0.281 which shows indicates that the data point has most of the data points on the average

Table 4. 4 Does respondent worry about work all the time

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Rarely	2	1.7	1.7	1.7
Sometimes	78	66.7	66.7	68.4
Often	19	16.2	16.2	84.6
Always	18	15.4	15.4	100.0
Total	117	100.0	100.0	

Table-4.4 indicates that 78, 19 and 18 of the respondents do worry about their work sometimes, often and always respectively. Only two (2) of out of the total respondents rarely worry about their work.

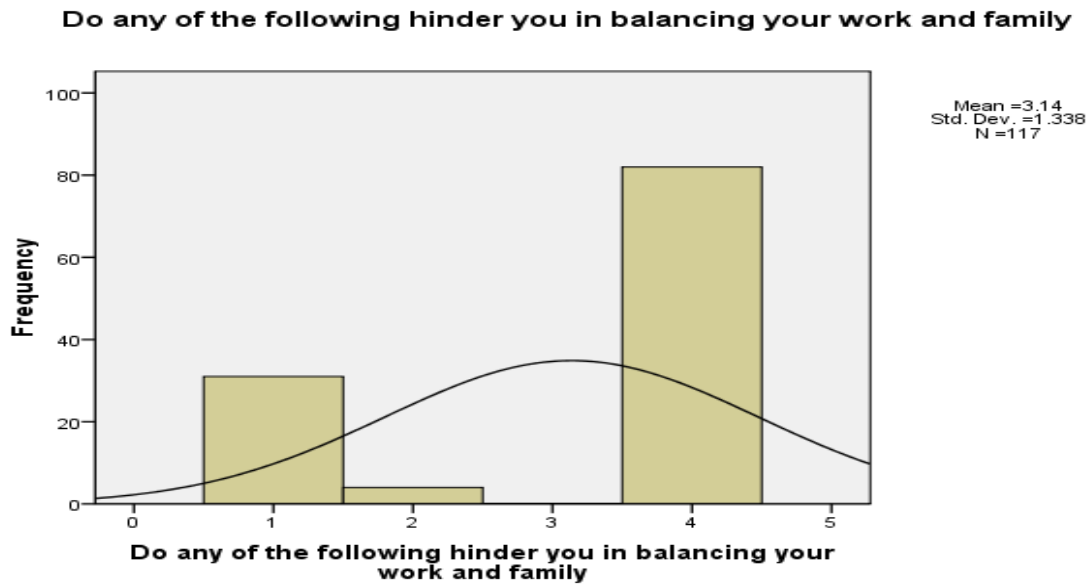


Figure 4.1

Figure 4.1 above indicates that with regards to this study, meeting after office hours contributes 70% to why respondents are not able to balance their work and family

Table 4.5 Descriptive Statistics

	Mean	Std. Deviation	N
Productivity will improve if employees obtain work-life balance programmes and policies	1.03	.182	117
work life balance policy in the organisation should be customized to individual needs	1.06	.238	117

Table indicates a standard deviation for respondent's response on the ability for work life policies and programmes to improve productivity. From the diagram above we realize that the Std. Deviation is 0.0182 which indicates that the data point has most of the data points on the average. Thus more individuals agree to productivity being dependent on implementation of work life balance policies and programmes.

## Hypothesis testing

In other to study the first objective of finding whether productivity will improve if employees obtain work life balance programmes and policies, a parametric test of uniform distribution based on selected work life balance programmes and policies has been used.

- Variables (V) → work life balance programmes and policies
- Annual leave and public holiday leave (v1)
- Flexible working hours (v2)
- Training leave (v3)
- Maternity leave (v4)
- Study/ Exam leave (v5)
- Work place Health promotion (v6)

Using number of respondents who agree per work life balance options having being consistent with productivity.

Table 4.6 work life balance variables

Work life balance programmes and options (V)	Number of respondents
V1	97
V2	88
V3	102
V4	110
V5	92
V6	105

Test statistics using  $\chi^2 = \sum \frac{[(O-E)^2]}{E}$

Where O= Observed frequency  
E=Expected frequency

Expected frequency (E) =  $97+88+102+110+92+105$   
(E) =  $594/6$   
= 99

H<sub>0</sub>: Productivity of faculty members is dependent on work life balance programmes and policies

H<sub>1</sub>: Productivity of faculty members does not dependent on work life balance programmes and policies.

Level of significance = 0.05

Table 4:7  $\chi^2_{Table}$

O	E	(O-E)	(O-E) <sup>2</sup>	$\sum (O-E)^2/E$
97	99	(97-99) = -2	4	4/99= 0.040
88	99	(88-99) = -11	121	121/99=1.222
102	99	(102-99) =-3	9	9/99 = 0.090
110	99	(110-99) =11	121	121/99 =1.222
92	99	(92-99) = -7	49	49/99 = 0.495
105	99	(105-99) = 6	36	36/99 = 0.364
				Total= 3.433

Degree of freedom (d.f) = N-1

Where 'N' is number of rows.

Therefore (d.f) = 6-1

=5

$\chi^2_{Table} = 11.070$

$\chi^2_{cal} = 3.433 < \chi^2_{Table} = 11.070$

Calculated value is less than the table value therefore Accept  $H_0$  and Reject  $H_1$

Conclusion:

Productivity of faculty members is dependent on work life balance programmes and policies.

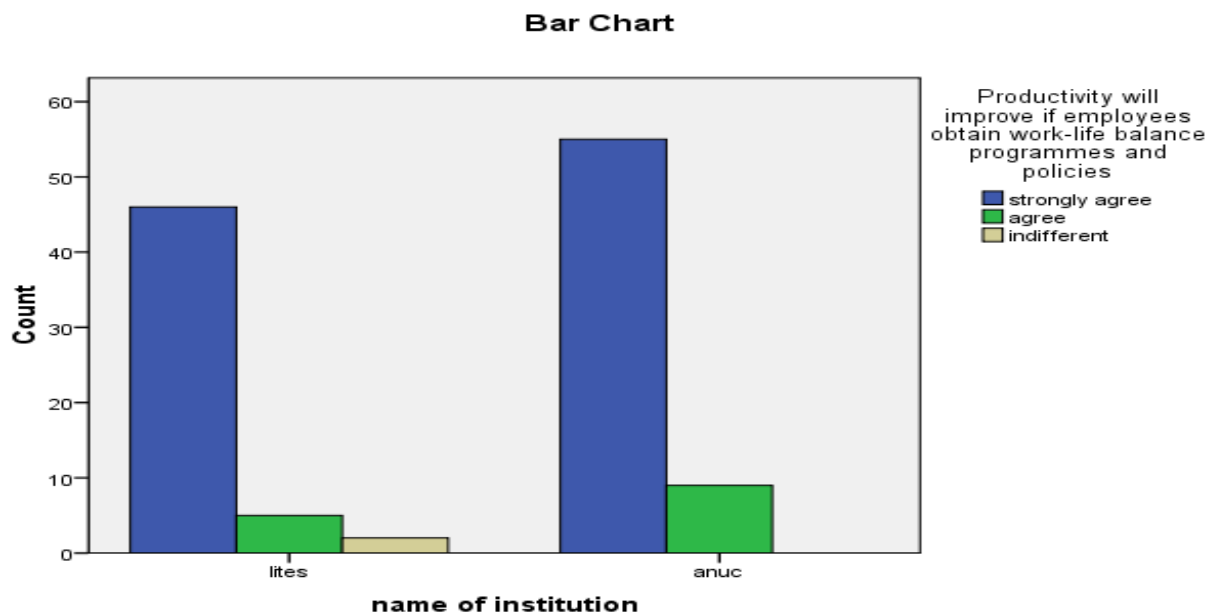


Figure 4.2

The figure above indicates as per this study that comparatively All Nations University believes that productivity is more dependent of available work life policies. This is revealed diagrammatically above as all respondents agreed with no one being indifferent.

## FINDINGS

The study shows that one hundred and seven (107) out of one hundred and seventeen (117) agree to being sometimes depressed as a result of their current work. One hundred and fifteen (115) out of one hundred and seventeen (117) respondents worry about their work either sometimes, often or always. Also a standard deviation for respondent's on the ability for work life policies and programmes to improve productivity is 0.0182 which indicates that the data point has most of the data points on the average. Thus more individuals agree to productivity being dependent on implementation of work life balance policies and programmes.

Six (6) variables of work-life balance programme and policy options namely annual leave and public holiday leave, flexible working hours, training leave, maternity leave, study/ exam leave, work place health promotion proved to be very important variables capable of ensuring productivity of faculty members in the study areas.

All Nations University College believes that in productivity is more dependent of available work life policies as respondents in Loyola Institute of Technology and Science had lower frequency for those strongly agreeing to productivity being dependent on work life balance policies and programmes

However generally, based on parametric testing using chi- square it was revealed that productivity of faculty members is dependent on work life balance programmes and policies and hence this further suggests a positive relationship between productivity and work life balance programmes and policies.

Mathematical results indicating the dependency of productivity on work life balance and policies is as follows,  $\chi^2_{cal} = 3.433 < \chi^2_{Table} = 11.070$

Therefore we accept  $H_0$  and Reject  $H_1$ . Where  $H_0 \rightarrow$  Productivity of faculty members is dependent on work life balance programmes and policies

## Suggestions

Based on the findings the management of both Institutions should closely monitor factors such as annual leave and public holiday leave, flexible working hours, training leave, maternity leave, study/ exam leave, work place health promotion to help improve efficiency and productivity of faculty members which in turn will give satisfaction in their personal life. There should also be a periodical review in terms of work faculty members work and their personal life satisfaction.

## Conclusion

From the above discussion, it is reasonable to conclude that Management of All Nations University College, Ghana and Loyola Institute of Technology and Science should address the Work Life balance related issues and to support the faculty members to manage their work life to enhance the performance of these staff member.

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# Toward a theory of social capital in entrepreneurship

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## **Abstract:**

Social capital sometimes enhances and sometimes obstructs entrepreneurship. Social capital encourages entrepreneurship when people can access essential resources via social networks, thus conserving their time and money. Membership in multiple social networks also enhances people's mental capability to perceive opportunity, additionally encouraging their entrepreneurship. Social capital's obstruction occurs when closed social networks exclude prospective entrepreneurs from essential resources, reward safety and mediocrities rather than risk and entrepreneurship, or impose mental conformity upon network participants. The ability of social networks swiftly to propagate information tends, however, to mitigate the obstructive features social capital sometimes imposes. Our discussion proceeds from a review of existing literature combined with fresh research from Alaska.

**Keywords:** social capital, social networks, cultural capital, habitus, entrepreneur

## **Introduction**

The role of social capital in entrepreneurship has become an increasingly prominent topic in business literature, but the debate has become increasingly complex (Casson and Della Giusta, 2007). Early contributors to this literature were content to introduce social capital and then uncritically to portray its contribution to entrepreneurship (Light, 2005: 663). On this view, social capital involves relationships of trust and reciprocity that inhere in social networks. Such relationships supported entrepreneurial success, domestic and international. However, more

recent approaches to social capital have sometimes complained that too much social capital squelches innovation whether because it suppresses outsiders (Crow, 2004: 12), protects mediocrities (Light, 2010a), or imposes mental conformity on network insiders (Dana and Morris, 2007). This debate has raised the question of whether social capital is a catalyst or an obstacle to entrepreneurship as if it had to be one or the other.

In our view, expounded below, the best question is not whether social capital catalyzes or obstructs entrepreneurship, for it can do either, but rather when social capital obstructs and when it encourages, and whose entrepreneurship is obstructed and whose encouraged. Briefly, social capital is a catalyst when it encourages entrepreneurship among the network's participants thanks to the resources it confers, but social capital is a retardant when it discourages outsider entrepreneurs, inhibits innovative thinking within a social network, or promotes a preference for a safe *status quo* over risky innovations.

### **Social Capital as Catalyst**

Social capital becomes a catalyst of innovation when entrepreneurs' social capital obtains essential resources for them under favorable terms. Here, favorable means terms as good as or better than those generally prevailing in their industry. It does not matter whether entrepreneurs pay for essential resources in full or obtain them at reduced money cost or altogether free of money cost so long as the access to resources their social capital permits are at least as favorable as those available generally in their industry. If others' social capital access is excellent, then excellent is the minimum required of entrepreneurs' social capital in this industry. Medium is insufficient in that case. If others' social capital access is poor, then medium access trumps the others' poor access. If others have no social capital, then poor social capital will enable success.

Social capital requires reliable reciprocity within a group. There are multiple forms of reciprocity; Thompson distinguished pooled reciprocity, sequential reciprocity, and reciprocal interdependence (1967: 54–55; see also Etemad *et al* (2001: 488)). But all forms of reciprocity move resources back and forth among participants. Often network participants obtain social capital resources free of monetary cost but the resources always come at the expense of an obligation to reciprocate. This transfer occurs, for example, when earlier favors obtained at no charge are later repaid at no charge. Obtaining resources free of charge, but against the obligation to repay the same or comparable is not to obtain the resources scot-free. Relationships of reciprocity enable this backward and forward

alternation of resources. The Latin formula *do ut des* identifies relationships of reciprocity, which are obviously not modern inventions (“I give that you may give”).

Resources obtained free of monetary cost are ideal, but free is not a necessary condition of obtaining entrepreneurial advantage from social capital. At a minimum, social capital confers an advantage even if it only enables entrepreneurs advantageously *to locate* needed resources that they later purchase at the full market price. Then social capital has reduced their search cost without reducing the purchase price. If others in their industry lack social capital or have less, then social capital’s reduction of search costs alone turns into competitive advantage for entrepreneurs who have it.

Social capital is not the only way in which entrepreneurs can obtain essential resources. It is neither a necessary nor a sufficient condition for entrepreneurial success. It is a common facilitator that is almost, but not quite, indispensable for all but the wealthiest entrepreneurs. Social capital is a currency, and money is an alternative currency. Crucial ingredients of social capital, reciprocity and trust are not for sale in public marketplaces, cannot be purchased, and must be earned, but many other essential resources are for sale.\*

Money can be borrowed, land rented, and labor hired. In principle it is possible, lacking social capital, to find resource providers in the classified advertising section of the public telephone directory, to interview candidates, to select some, and then to fret about the eventual quality of what each will produce. Indeed, this approach must be employed by solo individuals who have no social capital connections. All these tasks can in principle be accomplished without ever building social capital just as it is possible, though difficult, to live a whole life without ever making a friend. We call this approach a strict *market search* because the searcher pays the huge costs the market imposes on people without social capital, but also because solo individuals are the economic actors envisioned in neo-classical economic theory.

A market search imposes many costs that social capital avoids.† The provider’s charge is not the only cost a market search imposes. It also imposes opportunity costs for search time, the direct costs of the search, such as a big telephone bill, the cost in anxiety of protracted insecurity during which

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\* Trust “acts as the governance mechanism of embedded relationships. It facilitated the exchange of resources and information that are crucial for high performance but are difficult to value and transfer via market ties.” Uzzi, 1996: 678.

† “...commercial transactions between firms and banks that are embedded in relationships *increase* firms’ access to capital and *lower* their borrowing costs net of other determinants of lending.” Uzzi, 1996: 500

the quality of the ordered commodity is in doubt, and, most famously, the possibly extreme costs of having selected an opportunistic or incompetent provider, and then failing in business as a result. If an entrepreneur is enormously affluent, and money costs are immaterial, then complete lack of social capital may not be fatal; otherwise, it probably is.

When entrepreneurs have solid access to social capital, their social networks routinely provide some or all essential resources at lower cost than their market search alternative. A market search wastes search time and money compared to a network reference or network helper. The costs of the wasted time and money then raise production costs, rendering networked entrepreneurs more competitive than those who operated outside social networks. In a narrow sense, then, social capital is a catalyst for entrepreneurship because and to the extent that it lowers the money costs of success.

The evidence that social capital does yield efficient access to economic resources is now overwhelming. (McElvily and Marcus, 2005; Mustafa and Chen, 2010). In general, strong ties yield active support and financial resources, such as loans, whereas weak ties yield information, suggestions, references, and tacit knowledge (Yoo, 1999: ch. 6). When strong and weak ties embedded in a single social network yield essential resources, we dub it entrepreneurship *within* a social network. This is the basic case.

An example would be an Amish entrepreneur in Pennsylvania who has the usual 80 first cousins residing nearby (Kraybill and Nolt, 1995). The cousins maintain strong familial ties with one another. Most of these cousins are themselves self-employed, a relationship known to encourage entrepreneurship. Additionally, these cousins all share the normative Amish belief in helping a cousin who's starting or expanding a business. In this case, the social capital of the typical Amish entrepreneur ropes in generous resource support from kin. Compared to these efficiently accessed network resources, the public telephone directory would impose impossibly high costs on a non-Amish entrepreneur who hoped to compete with the Amish in one of their entrepreneurial specialties.

A related but more complex case arises when entrepreneurs *bridge* two otherwise non-overlapping social networks, 1 and 2 (Figure 1). With full access to network 1's resources and full access to network 2's resources, entrepreneurs obtain more resources than network 1 or network 2 alone could have provided. In some cases, dual networks are crucial. If business success requires resources both from network 1 and resources from network 2, then only someone (person D) with access to both social networks could succeed in this business. Network 1 alone or 2 alone will not permit success in this business.

But full access to both networks is not required even though it is obviously desirable. *Full access* to network resources means both strong ties and weak ties in above-average quality and quantity. Even if entrepreneurs have full access only to network 1's resources, provided that they have partial access to network 2's as well, they bridge the two distinct networks and occupy an advantageous situation for this reason when compared to an entrepreneur who has only network 1's resources or network 2's on which to draw. They draw more support from network 1 than from network 2, but they draw support from both.

Full access to one network is more commonly paired with partial access to a second than with full access to a second. Either is possible, but the former is more common. Transnational entrepreneurs illustrate the reasons (Drori, Honig, and Ginsberg, 2010). Transnational entrepreneurs shuttle back and forth between continents, running a business that obtains inputs from both sides of the ocean. Thanks to globalization, transnational entrepreneurs have become much more common of late than they once were. The literature shows that transnational entrepreneurs access network resources in their homeland and in their adopted country. However, transnational entrepreneurs usually access strong ties and weak ties in their homeland; the ties they access in their adopted country are weak ties. In this situation, transnational entrepreneurs have full network access only in their homeland.

For example, a China-born entrepreneur who has attended American universities would normally enjoy full access to Chinese social networks, and partial access to American networks such as a university alumni association (Chen and Wellman, 2009: 533; Wong, 2006: 63). This China-born person speaks English, and understands American business culture. But that entrepreneur's strong ties to family are probably in China, not in the United States. This person is Chinese, not American. Therefore, that entrepreneur's strong ties are in China; and his or her ties in the United States are weak, rendering his or her integration in American social networks partial, not full.<sup>‡</sup> Since weak ties are useful, partial access is appreciably better than no access (Granovetter, 1973).

Bridging social capital links two otherwise discrete and non-communicating social networks as in Figure 1 (Smith-Doerr and Powell, 2005: 382). Bridging social capital is especially advantageous and conspicuous in international trade (Zahra, 2005: 21). International trade requires coordination, cultural knowledge, and social capital on both sides of a border (Light, 2007). Bridging networks efficiently provide these resources. International trade is for this reason the most plausible place to look for examples of the theoretically limiting case we have hitherto ignored: partial access to network A coupled with partial access to network B. This case recalls Everett Stonequist's (1961)

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<sup>‡</sup> Conversely, non-Chinese "must adopt" the "Asian way of doing business" to obtain full acceptance in a Chinese firm. Wong, 2006: 231.

“marginal man” who fit partially into two or more otherwise discrete social groups, but was not a full member of either one. Especially in international trade, but in other fields of business as well, partial access to two or more networks, and full access to none may suffice to obtain the requisite enabling resources.

### **Social Capital as Obstacle**

One case for social capital as an obstacle to entrepreneurial innovation arises when entrepreneurs, lacking it or lacking enough of it, confront an economy in which all resources, most resources, or the essential resources are linked to social capital that the entrepreneur cannot access. Possibly commodities are for sale, but if hopeful entrepreneurs cannot access them through social networks, thus obtaining discounted access, they probably cannot overcome their initial disadvantages (Zain and Ng, 2006: 184).

An example would be black entrepreneurs in the Old South. The Old South contained whites and blacks; whites were economically dominant, socially exclusive, and determined to frustrate the economic progress of blacks (Davis, Gardner, and Gardner, 1941: chs. 12, 13, 20). To the extent that the economic resources in the Old South were controlled by whites, the social capital of the whites excluded blacks from access, and therewith reduced black entrepreneurship. We call such cases the entrepreneur *outside* social networks because, as Crow (2004: 12) observes, social networks have “the capacity to deny non-members access to the material and other resources monopolized by members.” From the point of view of economic development through entrepreneurship, this case is the worst possible. Excluded from social capital, entrepreneurs cannot access the resources hostile others control, and without their resources cannot proceed. A related case of exclusion does not require hostility to engender exclusion from a network. It is enough to be mistrusted. In the eighteenth century, Quakers controlled vast economic resources in the northeastern United States, and preferred co-religionists as business partners. This preference reflected the ease of doing business with co-religionists of known probity and competence rather than ethno-religious hostility toward non-Quakers. But, in practice, it nonetheless often resulted in preference for safe mediocrities, who were co-religionists, over more able and more talented non-Quakers who posed risks (Light, 2010a). Here their own social capital turned Quakers away from risk to security, a legitimate business decision, but one incompatible with entrepreneurship.

Sometimes multiple and possibly competing networks exist in a locality. None monopolizes all economic resources; for the sake of exposition, we assume that all networks have quantitatively

comparable but qualitatively different resources. However, taken together, the four networks monopolize the economic resources in the locality. If an aspirant entrepreneur is a member of none of the four networks, then that entrepreneur cannot access any economic resources in that place. But since nearly everyone belongs to one of the groups, nearly everyone has some access to entrepreneurship.

An example would be a bazaar in which four trader blocs run the marketplace. The blocs are Persian, Armenian, Arab, and Jewish. No one can trade without the support of at least one of these ethno-religious blocs. If an entrepreneur is Persian, Armenian, Arab, or Jewish, the aspirant has within-group access to the resources of his or her own group. Since there are four, more or less equal social networks in the bazaar, the odds of belonging to one are promising. However, if a member of none of these blocs, aspirant entrepreneurs are locked out of the marketplace by their social capital deficit, and thus, short of matrimonial alliance or ethno-religious assimilation, they cannot succeed in that bazaar. We call this case the entrepreneur between social networks.

### **How Many Networks?**

An issue underlying this discussion is to how many effective social networks aspirant entrepreneurs have access. Here an effective social network means a social network that yields access to essential economic resources. Of course, everyone is a member of one or more social networks, mostly networks with very weak ties, but only some networks yield access to essential economic resources. For this reason, everyone does not have *equal* access to economically advantageous social networks. It is possible that someone's social networks, especially those of a disadvantaged person, yield negligible access to essential resources of entrepreneurship while *opening* access to beggary or crime. Lacking essential resources, an incipient entrepreneur will probably fail; in this case other people's social capital has locked an entrepreneur out of the marketplace. The opportunity condition says yes; the law says yes; but the social capital says no. Hence, access to at least one social network that controls effective resources is a serious qualification for entrepreneurship; in this case the aspirant entrepreneur has the support of one group's effective resources. However, access to more than one social network is optimal; in this case aspirant entrepreneurs can obtain support from two resource bases, and, to the extent that the resources controlled are diverse, assemble them in novel ways.

## Old Harbor, Kodiak Island, Alaska

To illustrate the discussion thus far, and set the stage for what follows, we introduce the entrepreneurs of Old Harbor, Alaska. In our interviews with both Alutiiq (Yupik-speaking Alaska Native people) and non-Alutiiq respondents in Old Harbor, Kodiak Island, Alaska, we found that social capital was *both* a catalyst and a retardant. Long before markets developed, Alaska Natives were making a living off the land and sea. Subsistence self-employment was the traditional means of livelihood in Old Harbor and across the region, and social capital was central to the Eskimos' economic life. When we explained the concept, the Eskimos quickly understood the value of social capital. One respondent jokingly remarked, "Even the walruses have social capital" around here. "When we'd harpoon one and try to pull it out of the sea, its mate would intertwine its ivory with our catch and we would pull, and it would pull and we had to be a strong team to beach one."

In Alaska's harsh climate, close social association was essential for economic survival. No individual could hunt alone; men hunted in teams, usually of kinsmen, and shared the game (Befu, 1970: 34; Mishler and Mason, 1996). However, Alaska Natives hunted only with men deemed trustworthy in respect to skills, courage, and fidelity to community norms. Every hunter's life depended upon membership in a team with these qualities. Incompetent hunters would not return with game, and might themselves be killed by the game they stalked or cause the death of companions. This requirement meant that every Eskimo youth learned the same occupational lessons; few grew to maturity without the requisite skills, courage, and fidelity, but *any who did* could not hunt. The hunters' social networks excluded the unfit, who were gifted food for subsistence. This strategy worked for generations. The hunter networks reliably supported the community. Thanks to this economic arrangement, Alaska Natives survived and were content with their economic lot. Happiness is not a simple function of wealth (Anielski, 2007). However, the kinship-based hunter networks proved *singularly ineffective* in generating much economic innovation because they were satisfied with the economic status quo. Theirs was a defensible business decision even though it excluded entrepreneurial innovation. Although the hunters' networks excluded the unfit, and suppressed entrepreneurial innovation, they successfully guaranteed the reproduction of Eskimo society for millennia. In effect, the Alaska Native's social capital reliably reproduced the society's economic survival, but suppressed economic innovation. Of course, this was the normal state of affairs in all traditional societies.

The arrival of Russian colonists in the nineteenth century and with them a market economy drastically changed Old Harbor. New modes of livelihood arose. Nevertheless, in the early twenty-

first century, traditional economic customs remain strong in Old Harbor. Men alive today learned to hunt with their father and kinsmen in the traditional way. Born in 1933, Paul Kahutak (Abalik) moved to Old Harbor when he was “about four.” “We all lived off the land...I started fishing when I was only 10 years old.” His first cousin, George Inga, Sr, born at Old Harbor in 1925, recalled that his father taught him to hunt; and that the hunters wasted nothing. Every sinew and particle of a slain animal had its ordained purpose. The hunters understood themselves responsible for stewardship of the natural environment and for the human community that depended on it. In fact, the hunters’ environmental ideas had been elaborated over generations into their animistic religion. When missionaries introduced Christianity, they introduced the Old Testament idea of subjugating nature rather than sustaining nature, but Christianity has not extinguished even today the ancient beliefs and related spiritual obligations that long governed the Alaska Natives’ economic practice. Possibly for this reason, kin groups still share the fish catch (Mishler and Mason, 1996: 264), although some is sold.

Traditional subsistence self-employment in fishing and hunting continues to this day. The Division of Subsistence of the Alaska Department of Fish and Game (Fall and Walker, 1993) found that virtually every household was involved in subsistence harvest activities at least part-time; the same study found that Old Harbor had the largest per capita harvest of the six samples representing the Alaska Native communities across Kodiak Island. Composition of harvests revealed that 25% of Old Harbor’s intake in 1986 was from marine mammals, compared to 16% in 1982/3 (Fall and Walker, 1993). The increase was attributed to commercial over-fishing that depleted fish stock.

But Old Harbor is now part of the global economy. Traditional fishing and hunting is a declining but still preponderant livelihood in terms of the share of the population involved in it. Nonetheless, several Old Harbor residents are involved in the commercial sector, where a business license is required. There are currently 17 business licenses in Old Harbor. Some Alaska Natives have become commercial fishermen, operating independent fishing boats and selling their catch. However, most of Old Harbor’s commercial fishermen are now non-Indigenous. The non-Native Alaskans and those of mixed ancestry pioneered the new economy of fishing, tourism, and restaurants that complemented the traditional economy of subsistence hunting. A prominent non-Native fishing entrepreneur is Al Cratty, the son of a bush pilot. Cratty is a serial entrepreneur, and commercial fisherman who also owns and operates the fishing vessel *F/V Ashlee Christine C*. He is also owner-manager of Al’s Charter Service, providing transportation service to hunters and fishermen visiting Kodiak Island. Additionally, Cratty and his wife, Jonetta, jointly operate a seafood-smoking facility and specialty processing company as well as bed and breakfast

accommodations. Although a non-Native, Crattu also gathers subsistence foods for his family and for sharing with Native Alaskan elders. Since 2003, he has been on the Board of the Old Harbor Native Corporation.

Also non-Native Alaskans, Ray and Stella Krumrey have a license for their Mountain View Guest House. Business licenses have also been issued to several stores, in Old Harbor, including: Gwendolooks Food Store, a retail grocery; Old Harbor Food Store, selling specialty foods; and the retail grocer Tidal Wave. Others to have business licenses in Old Harbor include the owners of the Old Harbor Shuttle Service, and of Larionoff's gas station. A military veteran of inter-racial ancestry, Jeff Peterson owns a boat called Refuge Rock. Peterson has a license to operate Kodiak Combos that takes visitors to fish and hunt on the ocean. Peterson's business won the 2005 Alaska Federation of Natives' "Small Business of the Year" Award. Peterson's social attitudes came from what Alaskans call "the lower 48." When interviewed, Peterson proudly explained to us that he obtained no help from the government, no financing from any bank, nor assistance from any corporations. Although the Peterson family has lived in Old Harbor for decades, Jeff Peterson has Swedish ancestors as well as Alutiiq. He grew up on his father's boat and owned his first vessel at the age of 13. In addition to operating this award-winning formal business in the modern sector, Peterson provides food for his family from subsistence fishing and hunting. It was explained to us that subsistence resource harvests have a traditional value not measured in dollars.

Another entrepreneur with a business license in Old Harbor is Carl Christiansen who owns and operates the Ocean View Lodge, a hotel. Christiansen's Norwegian father was 40 when he married a 17 year old Alaska Native from nearby Eagle Harbor. Carl Christiansen's father was a modernizer; he was the first in the area to get an oil stove. Carl's parents adopted four Alaska Native children in addition to having 19 mixed-ancestry children of their own, among them Carl, who was born during WWII. Asked whether he was more influenced by the Norwegian cultural values of his father or by the Alaska Natives' cultural values of his mother, Carl responded, "Well, I guess the hard work is from my dad's side." Carl is Russian Orthodox, as are many Alaska Natives, but his Protestant father transmitted the Protestant work ethic, teaching as well that "welfare is no goal in life." When Carl admitted to his father that he had received a welfare check, his father demanded that he return it to the government.

Carl explained to us that he built the hotel after the price of salmon dropped and he could not obtain a license to harvest halibut. Apparently Carl viewed fishing as a livelihood rather than as a coherent and sacred way of life, the Alaska Natives' traditional view of fishing. The lodge draws on the social capital of Carl's nuclear family. Carl, Jr. is a hunting and fishing guide. Carl's wife and

daughter cook for the hotel and co-manage it. Carl opened a neighboring delicatessen in 2002. Carl also told us about his three siblings and his fisherman son all of whom are successful entrepreneurs.

One of Carl's sons is Captain Freddy Christiansen who was born in Old Harbor. In 1989, he invested in Sitkalidak Lodge (Old Harbor's first hotel) and later bought out his original business partner, Rick Berns. Freddy Christiansen then developed an ecotourism operation, first with the *Sitkalidak Straits*, a vessel that he has since replaced by several larger boats. He named his fishing boat, the *Tarissa Jean C*, after his eldest daughter.

If we now ask, at the risk of belaboring the obvious, why the whites and their children of mixed race pioneered the tourism, commercial fishing and restaurant businesses of Old Harbor, the answer can be framed in terms of social capital. While it guaranteed survival, the social capital of the Alaska Natives just recapitulated the economic practices of their forerunners, excluding whites and mixed race children. Lacking a Native's skill bank, whites and persons of mixed ancestry could not easily join Native hunting teams even had they desired to do so, which few did. But, using skills brought with them from the lower 48, and drawing upon the lower 48's capitalist mentality, they initiated a new economy based on tourism, commercial fishing and restaurants that the Alaska Natives, confidently surviving with their traditional practice, could not themselves have conceived it, which, of course, they did not.

### **Theoretical Implications**

The theoretical implications of our findings are easily drawn but amplification is also in order. We have argued that networks confer advantages on entrepreneurs who have access to them. For this reason, the literature has recurrently found, successful entrepreneurs have enjoyed access to networks that dispensed economically essential resources. If one wanted to hunt on Sitkiak Island (an island of the Kodiak Archipelago), one needed a hunting network. Entrepreneurs outside social networks must acquire access to network-brokered resources or proceed under handicaps so serious as often to preclude success. Three options beckon outsiders:

The first is full or partial assimilation into a network that controls economic resources and then possibly obtains access to that group's resources. One can marry the boss's daughter as Horatio Alger's inspirational heroes often did. However, when whites married Alaska Native people, their marriages did not necessarily open access to traditional hunting networks. Rather, they created an interstitial group, not white, but not Native either. These were persons of mixed-ancestry.

The second is privileged access to resources controlled by philanthropy or by government as, for example, targeted programs for minority economic development. The U.S. government did try to make small business support available to Alaska Natives, and a very few accepted it. Most did not. Given his Protestant heritage, a cultural importation from the lower 48, Jeff Peterson rejected government help.

The third course of action is independent accretion of business resources within the excluded group over time, and serious entrepreneurship based on reciprocity within the group. If, lacking wealth, the first generation relies on sweat equity to build mom and pop businesses; the second generation can borrow against their parent's businesses to build medium businesses. The whites and their mixed race children had to become entrepreneurs because the alternative livelihood, traditional hunting and fishing, was impossible for them to access and repugnant to their cultural training.

Turning now to entrepreneurs within a unitary social network, and beneficiaries thereof, like the Alaska natives, their liability is likely to be the saturation of opportunities for people with exactly the resources they bring to market. The Koreans in Los Angeles really understood the dry cleaning business, which they virtually monopolized, but Min (2007: 215) asked how many more dry cleaners can Los Angeles support? Light and Wong (1975) asked how many more Chinese restaurants can San Francisco's Chinatown support? One-network entrepreneurs bring to market the same cookie-cutter resources that others of their group have already brought to market. They offer the same products produced with the same methods and directed to the same customers. This chain easily results in market saturation. Whether in ethnic economies or ethnic enclave economies, ethnic minority and immigrant entrepreneurs commonly experience this problem (Dana and Morris, 2007: 807-808; Zhou, 2007: 280 – 281). However, the Alaska Natives avoided this outcome for centuries by strictly limiting their impact on the natural environment, thus guaranteeing its inexhaustible replenishment. That tactic does not work in metropolitan regions. Instead, immigrant and ethnic minorities in cities operate like franchising operations that propagate an entrepreneurial idea, taking it to new markets when old markets are saturated. Once Korean Americans saturated the dry cleaning market in Los Angeles, there were 300 other metropolitan areas available for them to colonize with dry cleaning firms, all nearly identical to one another.

The Amish are expert crafters of hand-made wood products such as bird houses, benches, and tables (Dana, 2007), but, precisely because the Amish reside in close proximity to one another, their wood crafts saturated the Pennsylvania market, making it difficult for even one more Amish entrepreneur to open a wood crafts business in heavily Amish counties. The problem was solved when the Amish discovered internet marketing, and vastly expanded therewith the market they serviced. Now

anyone in the world can order wood crafts from Amish businesses on the internet. This rapid diffusion of a marketing innovation illustrates the advantage that networked entrepreneurs enjoy when overcoming market saturation brought about by the network (Ahuja, 2000; Smith-Doerr and Powell, 2005: 392). When one Amish craftsman learned about the internet, they all learned about it.

One-group entrepreneurs can transcend the saturation problem if they become two-group entrepreneurs. Some Alaskans of mixed ancestry succeeded this way. As two-group entrepreneurs people are in a position to bring together the resources of network A with the resources of network B, unlocking in the process the possibility of creating something new that neither group A nor group B alone could have created. Some Amish furniture makers accomplished this transition by weak-tie bridging to non-Amish internet technicians. The non-Amish showed the Amish how to advertise on the internet. Advertising Amish furniture on the internet,<sup>§</sup> Amish entrepreneurs acquired expanded markets, an entrepreneurial innovation, and so they could continue to make the same bird houses, benches, and tables in the same time-tested ways. However, internet access required prior collaboration with internet savvy non-Amish, who controlled an exotic technology unknown to the Amish. Building that collaboration required, in turn, the creation of social capital between individual Amish furniture makers and non-Amish internet providers. This creation was not easy or automatic, but the economic advantages were great. In effect, some Amish furniture makers started as one-network entrepreneurs, but became two-network entrepreneurs (Kraybill and Nolt, 1995).

Two-group entrepreneurs can enhance their already advantageous position by adding a third network, three-group entrepreneurs can add a fourth, and four-group entrepreneurs a fifth, etc. Diminishing returns set in as entrepreneurs add ever more networks beyond two or three. First, adding networks is adding time-consuming work. Utilizing networks *one already has* does not require extra work; all the work was accomplished in childhood; building new networks does require extra work. Search costs rise. There is the initial time-consuming work of acquiring additional social network contacts; and then follows the work of maintaining the new contacts. At a minimum, the social contacts need to be visited once in a while. As the networks multiply, the workload increases until the marginal utility of an additional network is less than the work of getting and maintaining it.

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<sup>§</sup> For an example, visit [www.comfortablehouse.com](http://www.comfortablehouse.com)

Second, the multiplication of possibilities for innovation at some point outruns an already entrepreneurial firm's advantage. A two-network firm that has become successfully entrepreneurial thanks to addition of one network has its hands full mining the novel vein it already uncovered. To add a third, fourth, and fifth network in the interest of becoming hyper-entrepreneurial is imprudent and unnecessary when the augmented business is already prospering. Entrepreneurial is good enough.

### **Social Capital and Cultural Capital**

Social capital normally appears in tandem with cultural capital. As a result, social capital is easily confused with its Siamese twin, cultural capital, and the effects of cultural capital credited to social capital, and vice-versa. The cultural capital of the Alaska Natives consisted of their language and their fidelity to cultural norms such as courage and extended kinship obligations. Most of all, it consisted of their traditional conception of economic activity embedded in a sacred way of life. This outlook limited their entrepreneurship.

The traditional Jewish entrepreneurs of Alsace provide salutary comparison with the Alaska Natives. These Jews participated in their ethno-religious social network, trusting co-ethnic members and doing business together with here and there crucial bridges to non-Jews. Speaking a language exclusive to members of their network, Yiddish, they shared norms, values, and knowledge as well as stable expectations of reciprocity and support (Dana, 2006). Bridging to non-Jews, the Alsatian Jews acquired the ability to understand external markets as well as non-Jewish allies who helped them access these markets. Both the Alsatian Jews and the Alaska natives enjoyed social capital, but only the Alsations had a cultural capital firmly embedded in market capitalism. Endowed with social capital, the Alsations became "opportunity seeking" entrepreneurs. Endowed with social capital, the Alaska Natives did not become "opportunity-seeking entrepreneurs (Dana, 1995). Evidently social capital is not a sufficient condition for entrepreneurship.

The social science literature distinguishes cultural capital from social capital (Bourdieu, 1979, 1986). Whereas social capital consists of weak and strong ties that enable trust, and that inhere in social networks (Southerton, 2004: 97), cultural capital consists of cultural endowments that facilitate the formation and maintenance of social capital. The easiest illustration of cultural capital is language facility. "Networks cannot function unless their members operate with a shared culture and language, and in addition agree to abide by the . . . rules of the group, even where it is not in their immediate interest to do so" (Crow, 1994:10). The ability to speak a language is a cultural

endowment. If one did not speak a tribal language, one could hardly join the subsistence-hunting economy of the Alaska natives. In Bourdieu's (1979) sense, those who speak a common language share cultural capital. Of course, Bourdieu's concept of cultural capital is much wider than language skill; it includes as well folkways, mores, norms, and values. Lee and Jones' (2008: 60) concept of "cognitive social capital" returns to this point, but we prefer Bourdieu's vocabulary. Everyone has cultural capital. Banal as it seems, just knowing how to eat with a knife and fork is a cultural capital of Westerners, who acquire the competence as children. Asians have to learn this skill as adults just as Westerners have to learn the manipulation of chop-sticks as adults and therewith all the related etiquette.

Another way to summarize the relationship between social capital and cultural capital is a telephone analogy. Social capital is the telephone that connects parties, enabling them to speak; cultural capital is what they talk about and the language in which they talk about it. The telephone is useless if the other party does not speak one's language or, speaking one's language, has nothing of interest to say. Social capital builds upon and requires cultural capital, but the opposite is not true.

Social capital can only with difficulty exist among parties in the absence of cultural capital (Besser and Miller, 2004: 129). That peculiar situation would require parties to share weak and strong ties, some requiring trust, without sharing a common language and, beyond language, a common culture. Possibly that arrangement is not impossible; after all, one can hire a translator, but social capital is infrequently found in the absence of cultural capital and it is difficult to produce in its absence. Because it appears in tandem with social capital, cultural capital's unique consequences accrue as well to the social capital that unites parties.

Of these possibly the best researched is what Drori, Honig, and Ginsberg (2010) have called "bi-focality" or alternatively and following Bourdieu (2005: 85) "dual habitus." By either term they mean an entrepreneur's capacity to examine the world simultaneously from two different vantage points, each characteristic of one of the two social groups to which that entrepreneur simultaneously belongs (Light, 2010b). Bi-focality yields a fecund imagination that generates novel combinations of business resources from the mental juxtaposition of two contrasting realities.\*\* This fecund imagination amounts to the heightened ability to perceive economic opportunity, the essential characteristic of the "opportunity seeking" entrepreneur, (Dana, 1995), Locked into a traditional structure that successfully reproduced their society, Alaska Natives lacked this competence, but

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\*\* "... people who stand near the holes in a social structure are at higher risk of having good ideas." Burt, 2004: 349

their mixed-ancestry descendants have it. *This is a testament of networks, not of inherent racial endowments.*

By definition, only those are capable of enjoying a dual habitus who inhabit the margins of two societies. In this way, the advantageous dual habitus attaches to entrepreneurs whose social networks bridge cultural boundaries. Bridging social networks yield an economically advantageous dual habitus. Conversely, the single-habitus entrepreneur is a one-network entrepreneur whose network-derived resources, as noted above, are cookie cutter equivalents of others from that same entrepreneur's network or constellation of networks. Introducing the notion of dual habitus permits the inference that one-network entrepreneurs are single habitus entrepreneurs as well. Their mentality is, therefore, a cookie cut equivalent of others from their social background just as are their practical resources. The cookie-cutter duplication of mental life additionally confronts the one-network entrepreneur with the likelihood of entering saturated markets that socially identical entrepreneurs have already created.

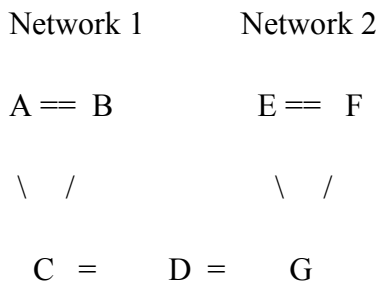
The discussion expands the already mentioned advantages of bridging social capital. True, as previously noted, bridging social capital endows entrepreneurs with the capability to draw essential resources from either side of the bridge, but it also enhances the likelihood that the bridging entrepreneur will imaginatively rise to the perception of novel economic opportunities. Since bridging social capital is not easily acquired, and few people have it, prior saturation of economic opportunities is a less likely outcome than is the case with single-network entrepreneurs.

## **Conclusion**

Since networks pass reciprocated resources within the membership, and exclude from economic resources those who stand outside them, entrepreneurs flourish when they have the support of social networks. A solitary entrepreneur lacks access to reciprocated resources, and is additionally vulnerable to exclusion by those who belong to resource-controlling networks. In this case, networks impede the entrepreneurship of isolated individuals. Except possibly for the very wealthiest of them, entrepreneurs need network memberships. One network is the minimum requirement. More are helpful. Those with one should acquire two. Those with two may wish to acquire more because networks not only confer essential social capital; they also confer the dual habitus that promotes ingenuity. At some point, however, the multiplication of social networks becomes counter-productive because start-up and maintenance costs exceed the marginal benefit. Networks confer the most advantage when full membership was acquired effortlessly in childhood;

entrepreneurs, like Donald Trump (1987), born wealthy and connected, enjoy this access. Networks are less advantageous when even partial membership imposes start-up costs. Very popular now, virtual networks are low-cost, but rarely lead to full membership or strong ties (Chen and Wellman, 2009: 529; Wakkee, Groenewegen, and Englis, 2010: 91).

**Figure 1** Bridging Network



Strong Ties ==

Weak Ties - -

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# **Facilitating Adult Learners in the Legal Sciences Department at a South African University**

Joubert Deidre

## **Abstract**

Since 1994, after the abolishment of “Apartheid” more black adult learners have access to and have enrolled for further studies at Institutions of Higher Learning in South Africa. Some of them start with tertiary studies for the first time several years after they completed their schooling, others return to a university in order to further their studies years after completion of undergraduate studies mainly at historically black universities. Adult learners are persons who are already in industry or practice, with their own work experience to draw from and must therefore be facilitated in a specific way. There are still a number of educators in higher education that have not made a paradigm shift to innovative teaching and learning methodology and adjustment to accommodate the learning styles of black adult students. The Department of Legal Sciences at the Vaal University of Technology has a large contingent of part time adult students and these students necessitate, to a large extent, a different manner of teaching and learning to the teaching and learning methodology used for the full time young adult students. This article addresses the learning styles of adult learners with specific reference to black adult learners in South Africa. Their educational needs, specific challenges and expectations are also addressed. In addition, the article talks to the importance of training of lecturers in teaching and learning methodology and the requisite assistance to lecturers, in order to enable them to address the learning styles, challenges and expectations of adult learners. By initialising the implementation of the recommendations of the author, the Department of Legal Sciences are endeavouring to ensure that the adult learners transform from students to learners by becoming active participants in their own learning experience and develop self-regulated learning.

## **KEY WORDS**

Adult learners, learning styles, learning preferences, teaching and learning methodology, training

## **1. INTRODUCTION**

With the change in government in South Africa in 1994, black learners obtained access to traditional universities due to the abolishment of “Apartheid” and furtherance of their education has become paramount for employment and promotion. Unfortunately there are old school lecturers that do not understand the learning styles of black adult learners and are still stuck in a rut using “chalk and talk” as their teaching and learning methodology. The aspects that will be addressed in this article are the learning styles of black adult learners, their educational needs, what motivates them to study further, the need for change in teaching and learning methodology to complement their learning styles and address their needs.

## **2. THE ADULT LEARNER**

The aspects discussed under this heading apply to all adult learners, including black adult learners unless otherwise indicated.

### **2.1 Who is considered an adult learner?**

Legally a person is considered a major at the age of 18 in South Africa. Does this make a person of 18 an adult learner? An adult of 18 years of age is not necessarily mature (Merriam and Brockett. 1997:5), but this is not at all an indication that a person of 25 or 50 is necessarily mature. An adult may sometimes not truly be a student and a student does not always behave like an adult. The answer to the question will differ in different societies. It might be approached as a biological state (post-puberty), legal state (a person over the age of 18), a psychological state (his/her own perception as to whether he/she is an adult), their form of behaviour (realising his/her own capacity and ability in any situation) or a set of social roles (whether the person is working, married, have children, etc.) (Adult Education. 2007) The author supports the latter and their form of behaviour as the determining factors as to whether a person could be seen as an adult learner.

### **2.2 Adult learning v adult education**

Adult learning is a cognitive process from within the learner; it is what the learner does him/herself with his/her own learning experience. Adult education is dependent on learning. Education is dependent on the specific outcomes and the activities associated with the achievement to reach those outcomes. (Merriam and Brockett. 1997:6) These mentioned authors define adult education as: “activities intentionally designed for the purpose of bringing about learning among those whose age, social roles, or self-perception define them as adults.”

### **2.3 Characteristics of adult learners**

Adult learners are independent and should be given the opportunity to present presentations and lead a group. They must be actively involved in the learning process and the lecturer must act as facilitator. Adults have accrued life- and work experiences and knowledge and must be assisted to find the *nexus* between this knowledge and learning. They are usually goal-oriented and would expect a course design that is organised with clearly defined elements. Adults need to perceive that what they learn is relevant to their work or other responsibilities. They are usually practical and require to be respected as adults with a wealth of experience. (Lieb. 1991)

They usually find it easier to learn something new about a known topic, than learning totally new material or concepts which might conflict with what they already know. Their existing knowledge could be a hurdle in learning and applying new ideas or processes and thus prevent them from being properly learnt. In this instance they have to be convinced of the value and relevance that this new material has for them in their work- or personal environment. (Daines. 2006:3)

It might also be difficult for an adult learner to admit they need further learning as they already have well developed ideas about life. They might perceive enrolling as an admission that there is something wrong with their current situation. (Rogers. 2007:9)

### **2.4 What motivates adult learners**

There are various aspects that motivate adult learners. It might be one or more of the following: a need to meet new people and possible business acquaintances; expectations or instructions from employers; the need to serve a community and therefore prepare to be able to realise this need; to achieve status, promotion and improve career opportunities; to satisfy a need to keep busy or provide a deviation from everyday life or where further studies is a passion or interest, in other words, cognitive interest. (Lieb. 1991) Another motivation could also be preparation for a possible career change or keeping up to date with new developments in their discipline.

There can unfortunately also be obstructions to learning for adult learners because of family and other responsibilities. Adult learners have to balance work-, family and other responsibilities and this could lead to time management problems or financial constraints that prevent them from studying or continue their studies. It is therefore important that the lecturer should be aware of any barriers that an adult learner might encounter and motivate them by enhancing their reasons for studying and de-emphasising the perceived obstructions. The latter could also be attained by referring the adult student for counselling if necessary. (Lieb. 1991)

## **2.5 Learning styles of adult learners**

Every learner has preferences for different learning styles. The activists like doing and experiencing, but cannot sit still for long or do not want to work alone. The reflectors need time to think and observe, but dislike being expected to complete one activity after the other, no time to prepare, being asked to answer a question without an opportunity to ponder or crammed timetables. The theorists enjoy analysis, logic, structure, clarity and likes to see how all the knowledge and skills fits together, but do not like wasting time, proper structure and not being able to question. Pragmatists prefer practical problem solving, activities involving or referring to the real world and the application of knowledge, but dislike theory and references to the past or future rather than the now. (Rogers. 2007)

The learning styles identified by Clark (Clark, 2008); visual, auditory and kinaesthetic also apply to adult learners and should be considered in conjunction with the abovementioned learning styles.

Students with a preference for the visual learning style prefer to see or observe. They tend to learn by seeing pictures, power point presentations, colour coding, etc.

Auditory learning style students have a preference for absorbing information through listening to lectures or other students. These students will enjoy participating in class or group discussions and debates. They literally hang on the lips of a lecturer that have mastered teaching through storytelling.

A preference for physical experience such as practical hands-on experience is important to students preferring the kinaesthetic learning style. They like to experiment and enjoy a new task by trying something by themselves first, learning through this process. They tend to make use of all their senses when learning and identify with lecturers that use real life examples and examples from their (the students') cultural backgrounds and experiences.

## **2.6 Black adult learning styles**

The following learning preferences in addition to those stated in 2.5 above are specifically related to black adult learners. Before formal education became available to black people in South Africa, they would divulge information and knowledge to each other by means of storytelling. This method is still being used today within the black communities. It is a method that adults use to teach their children how to behave in society. If a certain skill or competency had to be acquired, learning will take place in the community by having the person observe a procedure for a while and then he/she

would be invited to copy what he/she has observed. This is a form of experiential learning that was and still is applied in black communities.

In black communities learning involves interaction between the source of the knowledge or skills and the learner. Learning mostly took place in an informal manner. Informal learning by black adults therefore involved learning through experience in an atmosphere that is conducive to knowledge and skills development. (Fasokun, Kathoire and Oduaran. 2005:36) In respect of formal teaching, black adult learners prefer structured ways of observing, setting goals and achieving the goals of learning.

Black adult learners therefore tend to treasure acquiring knowledge and skills through active participation by putting into practice almost immediately what they have observed or learnt, as this is how they have learnt in their community since they were small. They tend to rate active participation highly and could consider withdrawal from the programme if they perceive that these expectations are not met. ((Fasokun, Kathoire and Oduaran. 2005:36)

By interviewing black adult learners, it was found that the majority confirmed abovementioned and also stated that they mainly prefer the lecturer referring to examples within their frame of reference in other words conceptualising what must be learned by referring to situations within their experience. They also prefer detailed and clear instructions.

## **2.7 Challenges to be addressed**

From the said interviews with black adult learners two concerns emerged being, even though these students were all post graduate students, they all experienced the realisation that their English language proficiency and their computer skills are not on a level expected at post graduate level. There is therefore a definite need to include several English modules and computer literacy and advance courses in the course design of any discipline.

## **3. THE LECTURER/FACILITATOR**

What is then expected from a lecturer where he/she tends to hold on to old teaching methodology? An immediate paradigm shift is necessary. The lecturer should adapt to the learning styles and characteristics of the adult learners, especially if that lecturer has not taught adult learners and for that matter black adult learners before. Training is necessary to assist the lecturer to implement this paradigm shift. The author will now discuss all the aspects that need to be addressed by a lecturer in teaching adult learners.

### **3.1 Attitude toward adult learners**

The first thing that has to change is the lecturer's attitude toward adult learners as the manner in which they must be handled differs from the way a lecturer treats young learners. These students enrol for a course motivated by different aspects than young students as stated in paragraph 2.4 above. Adult learners also experience different barriers to learning as young students and the lecturer should be sensitive to this. They tend to be under more pressure as they have to balance their work, studies, family and other responsibilities. Adult learners should be respected for who they are and what they can bring to the table. They have experience and years of accumulated knowledge under their belt and the lecturer should use this to the advantage of the learners, by allowing them to have opinions and think critically on what is presented by the lecturer. They will not readily accept what the lecturer tells them. This might pose a problem if new material presented contradicts what these students experience in practice or industry. They will then have to be shown the relevance and importance of this new knowledge for their career- or personal life. Relevance of learning material and knowledge is very important to adult learners. They have to constantly realise that what they are expected to learn is relevant to them in some or other way.

### **3.2 Pedagogy and Andragogy**

Pedagogy is defined by Bartle as "the art or science of learning by children; in general, the field of learning and instruction." Andragogy on the other hand is defined by the same author as "adult learning theory, particularly as identified by Malcolm Knowles, and its counterpart, the instruction of adult learners." (Bartle. 2008:5)

According to the andragogical model the adult learner participates in the learning process by gradually taking on increased responsibility. (Bartle. 2008:2) This teaching method leans toward learner centeredness and developing self-regulated learning with the result of changing students to learners. Six key assumptions are used: teachers have a responsibility to assist students to move from dependence to self-directedness; adults have prior knowledge and experience; learning comes easy if adults realise that they learn something that will assist them in real life; adults perceive learning as a tool to improve their competence; they need to know the reason and relevance of the thing they have to learn; and the most important motivator of adult learners is self-esteem. (ERIC. 2002:4) These are assumptions that a lecturer of adult learners must know and apply.

Adult learners are more concerned with the character of the lecturer and the teaching methods he/she uses and therefore prefer a mix between learner-centeredness and teacher-directed teaching. (ERIC. 2002) The lecturer is thus supposed to let go of traditional teaching methods and become a

colleague who contributes and assist in developing the learner's self-esteem and sense of accomplishment. (Bartle. 2008:3)

In order to put the learners in the centre of learning, the lecturer must facilitate activities and learning so that the learners fulfil the following criteria: they really want and need the knowledge; they know how to apply that knowledge; they will be rewarded for having obtained the knowledge; they can and may draw from own experience; they may learn at their own pace and following their own learning preference; they are encouraged to find their own information and critically evaluate information; they are challenged to achieve more; they are always supported and they are treated by the lecturer with respect and as adult individuals with unique needs. (Rogers. 2007:40)

Other important aspects that the lecturer will have to keep in mind when teaching adult learners is to always motivate them, reinforcement by positive comments, ensure retention of attained knowledge by constant practice and application of the knowledge and ensure transference by the learners obtaining the ability to use the information taught. (Lieb. 1991)

### **3.3 Learning theories**

By using old school “chalk and talk” teaching methodology a lecturer is stimulating surface learning and is not addressing the different learning styles of the students in front of him/her. No deep learning will occur and therefore the lecturer needs a good knowledge of the different teaching and learning theories and learning styles in order to stimulate deep learning.

There are three basic teaching and learning theories namely behaviourism where students learn something by repetition (where students learn by repeating certain actions and activities, until it is second nature to them), cognitivism based on the thought process of the student behind his/her behaviour (where students process information, applies previous learning and it serves in establishing the thought process behind the student's behaviour – students must be given the opportunity to practice and rehearse in order to improve retention of previously acquired knowledge) and lastly constructivism where students are prepared to become problem solvers and critical thinkers by constructing their own knowledge through previous experiences, environment, mental structures and beliefs. (Biggs and Tang. 2007:21) (Mergel. 1998)

The lecturer should design the course and activities according to those theories and also in respect of addressing the different learning styles of the students, especially the specific additional learning preferences of black adult learners.

### **3.4 Methods to stimulate deep learning**

Teaching and learning activities must address all the different learning styles of the students. For visual preference learners, colours, power point presentations, pictures, video clips, etc. must be used when presenting class. In respect of auditory preference learners, discussions, group discussions, verbal lectures, presentations by the students, etc. should be used and in respect of kinaesthetic preference learners the lecturer must include simulations, excursions, e-learning activities related to the discipline, etc.

In respect of black adult learners the lecturer should design the course and learning activities to address their specific learning styles, such as the use of picturesque language when lecturing, experimentation, observe-and-do activities, etc. With the usage of more activities where the students actively participate, deep learning is stimulated and the students will become self-regulated in their learning and take more responsibility for their own learning.

What also must be addressed by the lecturer in designing learning activities are the following guiding principles: learning must be problem- and experience based, the activities and learning must be meaningful to the learner and must be interesting and invite participation. (Fasokun, Kathoire and Oduaran. 2005:40-42)

It is important to remember that adult learners with years of experience and a vast knowledge base will have to learn, re-learn and un-learn old knowledge to be replaced with new and up to date knowledge. (Conner. 1995) The lecturer should therefore motivate students to realise the importance of re- and un-learning of knowledge. He/she must also be prepared to be challenged by experienced adult learners who thinks that their way of doing is still the correct way or the knowledge that they have accumulated through the years are still relevant and up to date.

Computer-based learning (e-learning) could be beneficial to adult learners who already have other responsibilities and time constraints. Some of the contact periods could possibly be substituted with an online assignment, which adult learners will probably enjoy, as they will have the opportunity to work on their own and create their own knowledge. Bear in mind the challenges stated in 2.7 above. Proper training in computer skills should first take place before a lecturer can embark on this venture.

It stand without reason that Bloom's taxonomy's cognitive levels of learning must also be used in order to ensure that learning activities adhere to the intended learning outcomes of the course and relevant subject.

#### 4. CONCLUSION

It is clear that a lecturer hanging on to and insisting on using only traditional teaching methodology in a changing world is not acting in the interest of the learners. A definite paradigm shift must be made in terms of teaching and learning methodology. The lecturer must also appreciate the differences between young learners and older adult learners with years of experience and the differences in teaching adult learners and black adult learners. Respect must be shown and earned by the lecturer. Adult learners tend to be critical and in order to earn the students' respect, they must experience satisfaction and a feeling of accomplishment that is worth their while. They must feel that the lecturer is designing the course and activities and apply presentation skills with their best interests at heart.

In the Department of Legal Sciences at the Vaal University of Technology we are implementing "appreciation of adult learning" awareness sessions for the lecturers who teach the part time classes for the working adult students. The lecturers are made aware of the contents of this article and are mentored and coached on teaching methodology. The success of this implementation will be evaluated later this year when these students will be requested to reflect on the change in teaching and learning methodology by the lecturers.

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# Reconsidering Views on Immigration in Europe

## A Cross-National and Longitudinal Study

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### Abstract:

This article examines public opinion on immigration in 28 European countries. Using data from the European Social Survey (2003-2011), we assess whether the current polarizing and populist political discourse on immigration is reflected in the attitudes of European citizens. The analysis shows that public opinion on immigration in Europe is predominately neutral. Moreover, European citizens have not adopted a more negative view on immigration. Attitudes about both the policy and the impact of immigration remained stable between 2003 and 2011. Some countries even moved towards a more tolerant attitude. No European country, however, reports a growing intolerance towards the arrival of migrants in the past decade. The prevailing view that the tougher political stance on immigration reflects changed attitudes of European citizens must therefore be reconsidered.

**Keywords:** immigration, immigration attitudes, public opinion, political discourse, multiculturalism, Europe

### Introduction

In several European countries, immigration is a sensitive issue. Media analysis of the subject often reveals heated debates. In the Netherlands, a parliamentary proposal by the Party for Freedom (PVV) to calculate the costs of immigration struck a sensitive chord with other political parties. Democrats 66-leader Alexander Pechtold opposed the plan fiercely, stating that immigrants cannot be viewed as “economic goods with a profit and loss account”. In other European countries, the debate is no less contentious. Italy drew both national and international comparisons with the

former South African apartheid regime, when the city of Foggia arranged to transport migrants via separate bus lines in 2010. In Switzerland, the People's Party (SVP) gained support for a referendum on annual "quota" for migrants, to counter the alleged "mass-immigration" into the country. Starting from similar sentiments, Schengen member Denmark even reintroduced border controls. The measure was quickly withdrawn, however, after the electoral victory of the Social Democrats in 2011. And with the political coming-out of Deutsche Bank director Thilo Sarrazin, Germany saw a revival of the domestic immigration debate. In his book *Deutschland schafft sich ab* (2010) Sarrazin wrote that Muslim immigrants cost the country a lot of money, provoking intense counter-reactions in the media and the national parliament.

Most discussions on immigration can roughly be traced to two clashing visions (cf. Hainmueller and Hiscox, 2007). On the one hand, immigration is seen as an economic and cultural enrichment. In this view, immigration provides companies with employees, compensates for the aging of the local population and injects new cultural and intellectual life into society. On the other hand, the fear exists that immigrants take away jobs from local workers, consume more government support in the form of social services than they return in taxes, and contribute to the formation of "ethnic enclaves", crime and other social troubles (see e.g. Tibi, 2002). In recent years, the latter view prevailed politically. It resulted in stricter immigration policies in various countries, and nourished the growth of nationalism and anti-immigration movements in parts of Europe (Rydgren, 2008).

It is often assumed that the tougher political stance on immigration reflects the views of European citizens. Until the early 2000s, European countries supposedly engaged in a too liberal immigration policy, against the wishes of its citizens (Lahav, 2004). In this light, the current developments in parliament and the media indicate the new *Zeitgeist*. But perhaps the political discourse on immigration develops relatively independently from attitudes of European citizens. Longitudinal research by Schalk-Soekar et al. (2010), shows that Dutch citizens have barely changed their views about the multicultural society in the last twenty years. The survey data reveal that the recent polarizing and populist discourse about the multicultural society does not reflect wider attitudes in the Netherlands. On average, Dutch citizens are neither very positive nor very negative about various aspects of multiculturalism. Attitudes on the subject furthermore remained stable over the years. Even events like 9/11 and the murder of film-maker Theo van Gogh by Muslim radical Mohammed B. caused little change in the figures (see Schalk-Soeker et al., 2010: 277). Perhaps in other European countries ways of thinking about related subjects such as immigration, are also less pronounced than is usually assumed.

In this article we examine public opinion on immigration more closely. The reason is the lack of a representative and longitudinal picture of public attitudes on immigration (measures) in Europe. To what extent is the populist and polarizing political discourse on immigration reflected in the attitudes of European citizens? How did public ideas on the subject develop over time? And can differences be observed between European countries? For our analysis we use the first five measurements (2003-2011) of the European Social Survey (ESS). The ESS is a biennial academic survey that maps beliefs and behaviours of Europeans on a range of social indicators. On average, the ESS consists of data of approximately 45,000 respondents from 25 countries per round. Sampling is done randomly (based on population registers) and the questionnaires meet scientific validity standards. Data from the ESS can thus be considered representative and reliable.

### **Previous research on immigration attitudes**

Immigration has been a subject of social scientific study since the beginning of the last century (see e.g. Thomas and Znaniecki, 1918). Contemporary research focuses - among other topics - on Eastern European labour migration to Western Europe (e.g. Black et al., 2010), transnational networks (e.g. Van Bochove et al., 2009), civil rights of migrants (e.g. Castles and Davidson, 2000) and the relationship between migration and crime (e.g. Freilich and Guerette, 2006). How citizens in “receiving countries” view the settlement of migrants has been less frequently examined. The first cross-national study of anti-immigrant attitudes in Europe is provided by Card et al. (2005). It used data from the first ESS round in 2003. The analysis shows that age and educational level positively correlate with tolerant attitudes toward the settlement of newcomers. This indicates that young and less educated citizens are prone to be more restrictive towards immigration. It also appears that at the beginning of the millennium, respondents from Sweden held relatively tolerant attitudes towards immigration, while Greeks and Hungarians reported a stronger preference for limiting immigration.

Sides and Citrin (2007) and Hainmueller and Hiscox (2007) also analysed data from the first ESS round. Sides and Citrin found that respondents who expressed a preference for cultural unity were less tolerant towards immigration. Economic uncertainty played a smaller role than expected. The analysis of Hain Mueller and Hiscox shows that a large part of the effect on ideas about immigration can be explained by differences in education. Higher-educated respondents attach greater importance to cultural diversity than less-educated respondents and consequently, the

former more often regard immigration as beneficial to the receiving country<sup>††</sup>. Earlier, Fetzner (2000) showed, on the basis of opinion polls in France and Germany, that feelings of cultural marginality can evoke opposition to immigration. Contrary to what is generally perceived, the relationship with economic marginality was much weaker. Research by Lahav (2004), which used data from the Eurobarometer, indicates that the number of migrants in a country plays a role in the opinion on newcomers. Countries with substantial immigrant populations display a stronger anti-immigration sentiment than countries with a relatively small number of migrants.

Recently published data from the Atlas of European Values (2011) - a consortium of European universities and research institutes - indicate negative attitudes of citizens<sup>‡‡</sup>. Through some provocative assertions, the Atlas polled public opinion on the effects of immigration. The survey reveals that in 2008, a majority of Britons (60%), Turks (62%) and Russians (58%) believed that "immigrants undermine the cultural life". It was also found that majorities of respondents agree with the statement "immigrants make crime problems worse". For several countries the response rate for the latter assertion exceeded 70 percent (this is the case for Austria, Russia, Norway and the Czech Republic). However, data on the number of respondents per country and method of sampling are absent. The most recent indication of European public opinion on immigration has a non-academic origin. From a global Internet poll conducted by research firm IPSOS in 2011 among more than 17,000 people in 23 countries, it would appear that Europe is gripped by an anti-immigration sentiment (IPSOS, 2011). Of the Spaniards, Italians and Britons who took part in the survey, 65 percent felt that there were too many immigrants in their country. Sweden and Poland were the only participating European countries where the majority does not display negative views on immigration. Still, according to the IPSOS data, no European country has a majority that feels that the presence of immigrants creates added value.

Although the Atlas of European Values and the IPSOS poll demonstrate a serious anti-immigration sentiment, the representativeness and validity of the outcomes are questionable. IPSOS

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<sup>††</sup> Recent analysis of the relation between views on immigration and social class shows a more differentiated picture (Lubbers and Lucassen, forthcoming). The 'higher' classes are strongly divided on the topic, and a considerable part is as strongly opposed to immigration as the 'lower' classes.

<sup>‡‡</sup> Although the Atlas for European Values is longitudinal in its design (with measurements in 1981, 1990, 1999 and 2008), items about immigration were not included until the 2008 survey, with results published in 2011.

acquired data via ad-hoc internet panels, which indicates a high risk of self-selection. Moreover, the IPSOS survey presents the theme of immigration very directly instead of mapping underlying attitudes. This may also have influenced the opinion of respondents. Similar methodological critique applies to the Atlas of European Values. The rather bold statements of the Atlas even exhibit characteristics of what in journalism is known as a “push poll”, a technique by which the opinion of respondents is controlled by selective and suggestive questioning. A limitation of the previously discussed academic studies on immigration attitudes is that they are somewhat dated and biased in terms of the formulated research questions and hypotheses; the available scientific research is based on data that does not extend beyond 2003, comprises single measurement, and seeks to explain a presupposed anti-immigration sentiment. Because of the lack of longitudinal data, it is also impossible to determine to what extent the recent populist and polarizing political and media discourse on immigration coincides with attitudes of European citizens.

### **Three dimensions: attitudes, place and time**

Recent polls and the rise of populist, anti-immigration movements in parts of Europe suggest a serious anti-immigration sentiment in various European countries. However, a thorough analysis of public attitudes on immigration is required. The political discourse may not be a good indicator of public opinion, and the IPSOS poll and the Atlas of European Values cannot be followed blindly, due to their methodological shortcomings. Because of the lack of longitudinal data, it is also impossible to determine how public ideas about immigration have developed over time. In short, what is lacking is a clear and complete picture of the attitudes of European citizens on immigration. To complete this picture, in this article we focus on three dimensions: underlying attitudes, time and place.

Specifically, we distinguish between beliefs about the *policy* on immigration and the *impact* of immigration, or – to put it another way - the attitude towards the influx of newcomers as such versus how the social, cultural and economic effects of their arrival are valued. This is an important distinction, because in the public debate these themes - roughly, immigration versus integration - are frequently used interchangeably (Lucassen and Lucassen, 2011). Also, for our analysis we did not use suggestive assertions, but rather relied on different scales that combine underlying attitudes about the topic<sup>§§</sup>. This gives the analysis more statistical power. In this way results are also more

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<sup>§§</sup> Prior to the analysis, all six immigration items were combined in one factor analysis. This revealed that the items have two separate underlying dimensions, which can be divided in immigration policy and impact of immigration.

easily organized and displayed by country and time measurement. Finally, the scales yield a more nuanced picture than the usual dichotomous agree / disagree response categories of public opinion polls mentioned earlier.

The article also provides a closer look at Western European countries that displayed a growth of political “anti-immigration” movements in the last decade. It is often assumed that the emergence of these parties can be explained by a more restrictive approach to immigration among the wider population. Until the early 2000s, European countries supposedly engaged in a too liberal immigration policy, against the wishes of its citizens (Lahav, 2004). By zooming in on the voting behaviour in some of these countries and by comparing these with the ESS data, we try to assess whether a more restrictive political stance on immigration indeed can be explained by a change in public opinion.

## **Two dependent variables: immigration policy and impact of immigration**

### ***Immigration policy***

Views on immigration policy was measured by combining three different items:

- How do you feel about the arrival in your country of people of the same race or ethnic group?
- How do you feel about the arrival in your country of people of different race or ethnic groups?
- How do you feel about the arrival in your country of people from poorer countries outside Europe?

Respondents could answer on a 4-point scale (from 1) “Allow many of these people to come and live here” to 4) “Allow none of these people to come and live here”). These three items were combined into a single scale with a Cronbach's alpha of 0.88. A factor analysis reveals that the items represent one underlying dimension<sup>\*\*\*</sup>.

### ***Impact of immigration***

Opinion on the impact of immigration was also measured by combining three items:

- Would you say it is generally bad or good for the country's economy that people come to live here from other countries?
- Would you say that the country's cultural life is generally undermined or enriched by people coming to live here from other countries?

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<sup>\*\*\*</sup> The underlying dimension has an eigenvalue of 2.42 and explains 80.5 percent of the total variance. Factor loadings vary from 0.86 to 0.90. These are values based on the total dataset. As an extra check, separate factor analyses were conducted for separate countries and time measurements. This turned out not to have any influence on the outcomes.

- Is [country] made a worse or a better place to live by people coming to live here from other countries?

Respondents could answer each of these three items on an 11-point scale. For item 1 the scale runs from "bad for the economy" to "good for the economy", for item 2 from "cultural life undermined" to "cultural life enriched" and for item 3 from "worse place to live" to "better place to live". For the purpose of analysis, the response scores of the three items were recoded so that an increasing score reflects a more negative attitude towards the impact of immigration. The three items were combined into a scale with a Cronbach's alpha of 0.84. We did not reduce the items to a 4-point scale, as this would reduce the nuance in the answers. A factor analysis reveals that the items represent one underlying dimension<sup>†††</sup>.

## Results

### *Immigration policy*

Table 1 provides the descriptive statistics of the views on immigration by country and ESS round (2003-2011). The mean values in the table indicate the tolerance level towards the arrival of newcomers. The first thing to note is that European countries on the whole score neutral on the scale. The mean values fluctuate around the equilibrium of 2.5. Moreover, there are no significant changes visible in time. European attitudes in this respect are quite stable. In the Netherlands, for instance, the average score of Dutch respondents balances stable around the 2.5 value over the years, which indicates that the settlement of migrants is valued highly neutral by the Dutch. The most recent Dutch measurements in 2009 and 2011 even show a slightly more tolerant attitude compared to previous years. Switzerland and Denmark are on the tolerant side of the scale as well. These are countries that have a visible anti-immigrant party and in recent years regularly reached the news with corresponding anti-immigration legislation and rhetoric. Like the Netherlands, the Swiss and Danish data show no significant fluctuations in the period 2003-2011. However, there are some exceptions to the overall image of neutrality. Cyprus, Greece, Hungary, Portugal and Turkey report a more intolerant attitude towards the arrival of migrants, with means pushing the three-point

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<sup>†††</sup> The underlying dimension has an eigenvalue of 2.29 and explains 76.5 percent of the total variance. Factor loadings vary from 0.86 to 0.89. These are values based on the total dataset. As an extra check, separate factor analyses were conducted for separate countries and time measurements. This turned out not to have any influence on the outcomes.

boundary. Greece and Turkey in particular score relatively high on the scale and do so for all ESS rounds in which the countries participated. There also a few outliers in the opposite direction. Bulgaria, Norway, Poland and especially Sweden, are relatively more tolerant of immigration than other countries. Sweden is the only country that on the scale drops below the two point mark.

It is noteworthy that the countries that lack a recognizable anti-immigration party (e.g. Portugal, Greece, Turkey), show a more negative attitude towards the arrival of immigrants than countries that are represented by such a party in the national parliament (e.g. the PVV in the Netherlands and People's Party in both Denmark and Switzerland). Further analysis shows that a statistical distinction can be made between "tolerant" (more often northern European countries) and "intolerant" countries (more often southern European countries). If we zoom in on Cyprus, for example, a Bonferroni post-hoc test reveals a significant difference in the opinion on immigration policy between Cyprus and other countries ( $P < 0.01$ ), but not between Cyprus and other (southern) countries that tend toward intolerance, such as Hungary and Portugal. The same pattern occurs for the "tolerant" countries. Norway, for example, differs significantly from other countries ( $P < 0.01$ ) but not from the countries that also report a relative tolerance towards the arrival of newcomers, such as Bulgaria, Switzerland and Ireland. The Swedes, on the other hand, are so unique in their tolerance level, that they herein significantly differ from all other Europeans (Bonferroni post-hoc test  $P < 0.01$ ).

Finally, a few countries moved towards a more tolerant attitude on immigration between 2003 and 2011. This applies to Bulgaria, Estonia, Norway, Poland and Sweden. It constitutes a modest movement in time, but the trend towards greater support for the settlement of newcomers in these countries over the years is evident. No European country on the other hand, reports a growing *intolerance* towards migrants since 2003. This can be considered a remarkable result, given the previously outlined political developments in Europe and the at times heated local discourse on immigration in the media.

### ***Impact of immigration***

Table 2 provides the descriptive statistics of the views on the impact of immigration by country and ESS round (2003-2011). The mean values in the table indicate how Europeans value the social, cultural and economic effects of the arrival of newcomers. A higher score corresponds to a more negative assessment. As with attitudes about the policy, mean scores are predominantly neutral and stable over time. Again, the reported values fluctuate around the middle (5 points), or sometimes

ending a little above it, sometimes dropping slightly below it. There are no significant differences to speak of between the different time measurements. Belgium, for example, shows the exact same mean in 2011 as in the first ESS measurement in 2003, namely 5.10. The Netherlands remains on the positive side of the scale in all ESS rounds, i.e. below the five-point boundary. On average, the Dutch are even more positive about the impact of immigration in 2011 than in 2003 - despite the political rhetoric about the alleged negative effects of mass immigration from the PVV. The same applies to Switzerland and Denmark, also two countries with an influential anti-immigration movement.

Regarding the outliers, partly the same countries surface as in Table 1. Cyprus, Greece, Hungary and Turkey are relatively negative about the impact of immigration, but this time Portugal reports neutral figures. What is new is the relatively high score of the Czech Republic. Over the years, the Czechs also assess the effects of immigration slightly more negatively. Russia now also joins the ranks of countries that judge the arrival of newcomers rather as a sort of degradation than an enrichment. Together with the Greeks and the Turks, the Russians display the most negative views about the impact of immigration, with mean values of well over 6 points since 2007. The Bonferroni post-hoc reveals that the Greeks and Russians differ significantly in their valuation of the impact of immigration compared to respondents from other countries ( $P < 0.01$ ).

Switzerland, Finland, Poland, Luxembourg, and Sweden are the opposite outliers. Compared to other European countries, these countries are relatively positive about the impact of immigration. Again, the Swedes are the most optimistic. Swedish citizens observe the effects of immigration as relatively positive. It is - with the exception of Luxembourg in 2003 - the only country that drops below the 4-point threshold on the scale. The prevailing positive attitude in Switzerland, the Netherlands, and Finland is remarkable. In recent years these countries showed a polarizing multicultural discourse, and saw a rise of political parties that related many social problems to the presence of foreigners (respectively the Swiss People's Party, the PVV and the True Finns).

**Table 1** Descriptive statistics of dependent variable “Immigration policy”, per country and ESS-round 2003-2011 (scale 1-4, 1 = very tolerant towards arrival of migrants, 4 = very intolerant towards arrival of migrants)

ESS Round	2003 (N = 39.860)		2005 (N = 48.487)		2007 (N = 43.000)		2009 (N = 48.652)		2011 (N = 38.974)	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
<b>Austria</b>	2.63	0.72	2.41	0.78	2.49	0.75	-	-	-	-
<b>Belgium</b>	2.41	0.74	2.46	0.66	2.37	0.75	2.31	0.75	2.43	0.77
<b>Bulgaria*</b>	-	-	-	-	2.27	0.98	<u>2.17</u>	0.95	2.10	0.94
<b>Switzerland</b>	<u>2.15</u>	0.60	2.18	0.66	2.24	0.64	2.20	0.62	2.23	0.66
<b>Cyprus</b>	-	-	-	-	<u>2.94</u>	0.60	2.71	0.51	-	-
<b>Czech Republic</b>	2.54	0.72	2.67	0.80	-	-	2.74	0.75	2.78	0.77
<b>Germany</b>	2.31	0.70	2.46	0.78	2.45	0.77	2.18	0.75	2.24	0.74
<b>Denmark</b>	2.35	0.67	2.37	0.68	2.29	0.65	2.27	0.67	2.24	0.66
<b>Estonia*</b>	-	-	2.74	0.78	2.67	0.76	2.63	0.79	2.53	0.72
<b>Spain</b>	2.39	0.83	2.34	0.85	2.50	0.86	2.61	0.85	2.64	0.88
<b>Finland</b>	2.52	0.68	2.56	0.67	2.54	0.66	2.66	0.68	2.62	0.65
<b>France</b>	2.48	0.71	2.50	0.67	2.48	0.72	2.42	0.70	2.44	0.72

<b>United Kingdom</b>	2.50	0.74	2.46	0.75	2.55	0.76	2.52	0.75	2.59	0.80
<b>Greece</b>	<u>2.97</u>	0.65	<u>2.91</u>	0.72	-	-	<u>2.95</u>	0.70	-	-
<b>Hungary</b>	<u>2.84</u>	0.63	<u>2.93</u>	0.77	-	-	<u>2.83</u>	0.71	2.79	0.74
<b>Ireland</b>	2.22	0.67	2.22	0.75	2.49	0.76	2.35	0.78	-	-
<b>Italy</b>	2.25	0.80	2.40	0.85	-	-	-	-	-	-
<b>Luxembourg</b>	2.49	0.80	2.49	0.80	-	-	-	-	-	-
<b>Netherlands</b>	2.42	0.67	2.46	0.73	2.49	0.76	2.32	0.71	2.36	0.73
<b>Norway*</b>	2.26	0.66	2.25	0.66	2.21	0.67	<u>2.15</u>	0.64	<u>2.16</u>	0.66
<b>Poland*</b>	2.36	0.69	2.26	0.77	<u>2.07</u>	0.77	<u>2.04</u>	0.73	<u>2.05</u>	0.73
<b>Portugal</b>	2.75	0.82	<u>2.85</u>	0.80	<u>2.86</u>	0.85	<u>2.80</u>	0.86	2.75	0.82
<b>Russia</b>	-	-	-	-	2.57	0.85	2.55	0.83	2.50	0.84
<b>Sweden*</b>	<u>1.88</u>	0.64	<u>1.88</u>	0.69	<u>1.82</u>	0.67	<u>1.79</u>	0.65	<u>1.75</u>	0.63
<b>Slovenia</b>	2.42	0.70	2.43	0.78	2.43	0.75	2.36	0.74	2.34	0.73
<b>Slovakia</b>	-	-	2.25	0.83	2.26	0.85	2.38	0.88	-	-
<b>Turkey</b>	-	-	<u>2.98</u>	0.93	-	-	<u>2.98</u>	0.92	-	-
<b>Ukraine</b>	-	-	<u>2.12</u>	0.87	2.22	0.88	2.30	0.91	-	-

\* Countries that report an increasing tolerance towards the arrival of migrants between 2003-2011.

Underlined values represent relative tolerance (mean  $\leq$  2.20). Bold and underlined values represent relative intolerance (mean  $\geq$  2.80). A hyphen means no data available.

**Table 2** Descriptive statistics of dependent variable “Impact of immigration”, per country and ESS-round 2003-2011 (scale 0-10, 0 = very positive about consequences of immigration, 10 = very negative about consequences of immigration)

ESS Round	2003 (N = 39.860)		2005 (N = 48.487)		2007 (N = 43.000)		2009 (N = 48.652)		2011 (N = 38.974)	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.
<b>Austria</b>	4.64	2.04	5.16	2.14	5.25	2.22	-	-	-	-
<b>Belgium</b>	5.10	1.66	5.18	1.97	4.96	1.83	4.81	1.80	5.10	1.78
<b>Bulgaria</b>	-	-	-	-	4.36	2.68	4.58	2.38	4.55	2.37
<b>Switzerland</b>	<u>4.16</u>	1.66	4.36	1.87	4.24	1.83	<u>4.01</u>	1.74	<u>4.11</u>	1.71
<b>Cyprus</b>	4.65	1.88	-	-	<u>5.97</u>	2.09	5.56	2.09	-	-
<b>Czech Republic</b>	5.58	1.91	5.73	2.09	-	-	5.70	1.97	<u>6.00</u>	1.94
<b>Germany</b>	4.65	1.88	5.08	2.10	5.06	2.04	4.57	2.04	4.77	2.07
<b>Denmark</b>	4.65	2.00	4.64	2.08	4.25	2.02	4.32	2.01	4.29	1.91
<b>Estonia</b>	-	-	5.66	2.04	5.46	2.03	5.27	2.02	5.25	1.90
<b>Spain</b>	4.73	1.74	4.46	2.03	4.56	1.99	4.77	2.03	4.66	1.91
<b>Finland</b>	<u>4.05</u>	1.66	<u>4.16</u>	1.76	<u>3.99</u>	1.69	<u>3.91</u>	1.66	4.21	1.73
<b>France</b>	5.09	2.17	5.27	2.16	5.25	2.26	5.01	2.06	5.17	2.12

<b>United Kingdom</b>	5.31	2.04	5.31	2.16	5.46	2.30	5.37	2.28	5.38	2.21
<b>Greece</b>	<u>6.47</u>	2.20	<u>6.30</u>	2.24	-	-	<u>6.62</u>	2.18	-	-
<b>Hungary</b>	5.63	1.89	<u>5.80</u>	2.04	<u>5.99</u>	2.26	<u>5.89</u>	2.07	5.55	1.96
<b>Ireland</b>	4.70	2.12	4.22	2.13	<u>4.13</u>	2.21	4.56	2.12	-	-
<b>Italy</b>	4.96	1.80	5.58	2.18	-	-	-	-	-	-
<b>Luxembourg</b>	<u>3.43</u>	1.98	<u>4.11</u>	2.07	-	-	-	-	-	-
<b>Netherlands</b>	4.83	1.65	4.92	1.71	4.54	1.58	4.45	1.61	4.46	1.56
<b>Norway</b>	4.65	1.72	4.72	1.82	4.51	1.81	4.34	1.78	4.40	1.79
<b>Poland</b>	4.68	1.79	4.34	1.97	<u>4.01</u>	1.92	<u>4.06</u>	1.82	<u>4.10</u>	1.80
<b>Portugal</b>	5.28	1.89	5.73	1.85	5.30	1.93	5.06	1.96	5.32	1.71
<b>Russia</b>	-	-	-	-	<u>6.59</u>	2.35	<u>6.25</u>	2.22	<u>6.28</u>	2.20
<b>Sweden</b>	<u>3.76</u>	1.87	<u>4.01</u>	1.98	<u>3.89</u>	1.93	<u>3.78</u>	1.87	<u>3.46</u>	1.89
<b>Slovenia</b>	5.35	1.70	5.39	1.97	5.37	2.09	5.33	2.08	5.55	2.03
<b>Slovakia</b>	-	-	5.34	1.95	5.04	1.87	5.34	1.88	-	-
<b>Turkey</b>	-	-	<u>6.30</u>	2.41	-	-	<u>6.21</u>	2.57	-	-
<b>Ukraine</b>	-	-	5.20	2.41	5.51	2.41	5.60	2.44	-	-

Underlined values represent a relative positive attitude (mean  $\leq 4.20$ ). Bold and underlined values represent a relative negative attitude (mean  $\geq 5.80$ ). A hyphen means no data available.

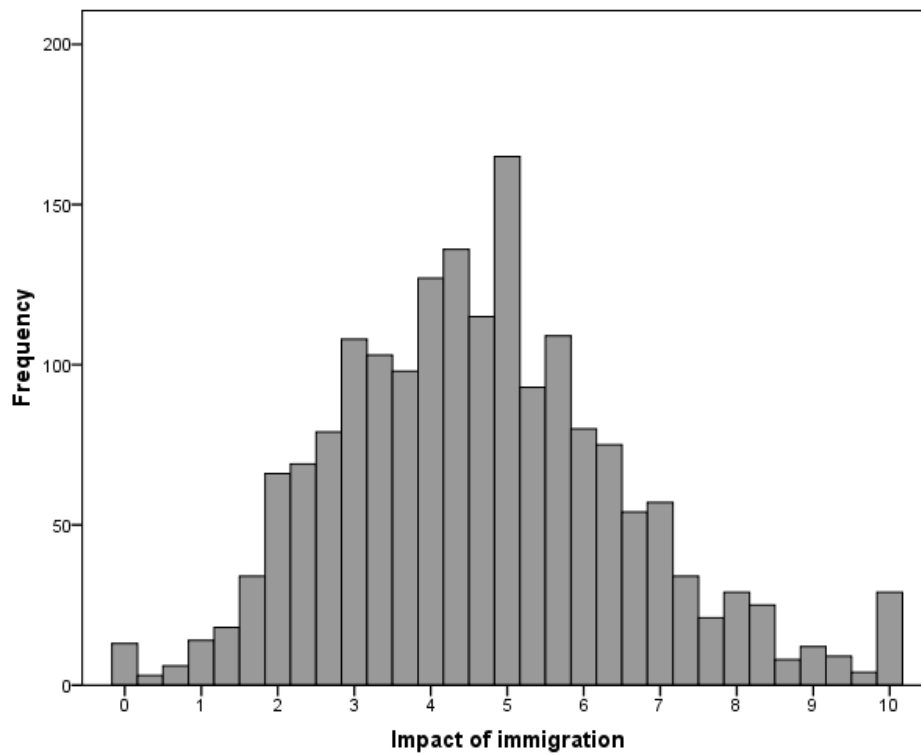
### *A closer look at country distributions and voting behaviour*

It is important to note that, despite some cross-national differences, European countries on the whole are neutral in their views on immigration. The middle-position that Europeans occupy in this respect becomes visual when the frequency of the distributions of the variable "impact of immigration" is displayed in graphs. For reasons of illustration and comparison, we select from the ESS measurement of 2011 two countries where according to the IPSOS survey a large majority of the population is negative towards immigration, namely Spain and Britain. In addition, we present the distributions of countries that show moderately negative and positive attitudes in the ESS measurement of 2011; the Czech Republic and Russia, and Switzerland, Finland, and Sweden. We also added the Netherlands to this list.

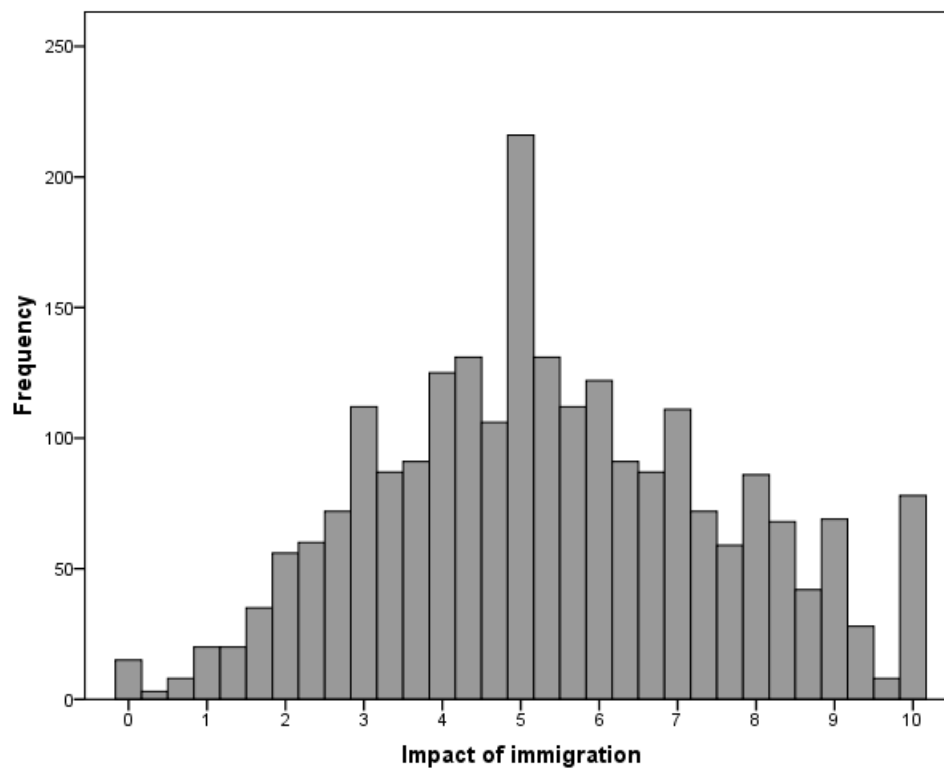
The frequency distributions of the "IPSOS countries" and the "positive" countries sometimes lean to either side of the scale, but otherwise are normally distributed (see Figures 1, 2, 5 and 6). The Netherlands appears to be a paragon of immigration neutrality, with almost a textbook normal curve. Only the two countries that on average report the most negative attitudes about the impact of immigration - Russia and the Czech Republic - show a somewhat different pattern. Russia shows a U-shape, with values slightly situated on the right side of the scale. This indicates that views of Russian citizens tend to be polarized, yet the effects of immigration are either assessed neutrally, or very negatively. The distribution of the Czech Republic clusters more on the right side of the scale: the views of most Czech respondents about the impact of immigration tend to be disapproving.

The frequency of Sweden shows an L-shape: Swedish citizens perceive immigration predominantly as an enrichment for society.

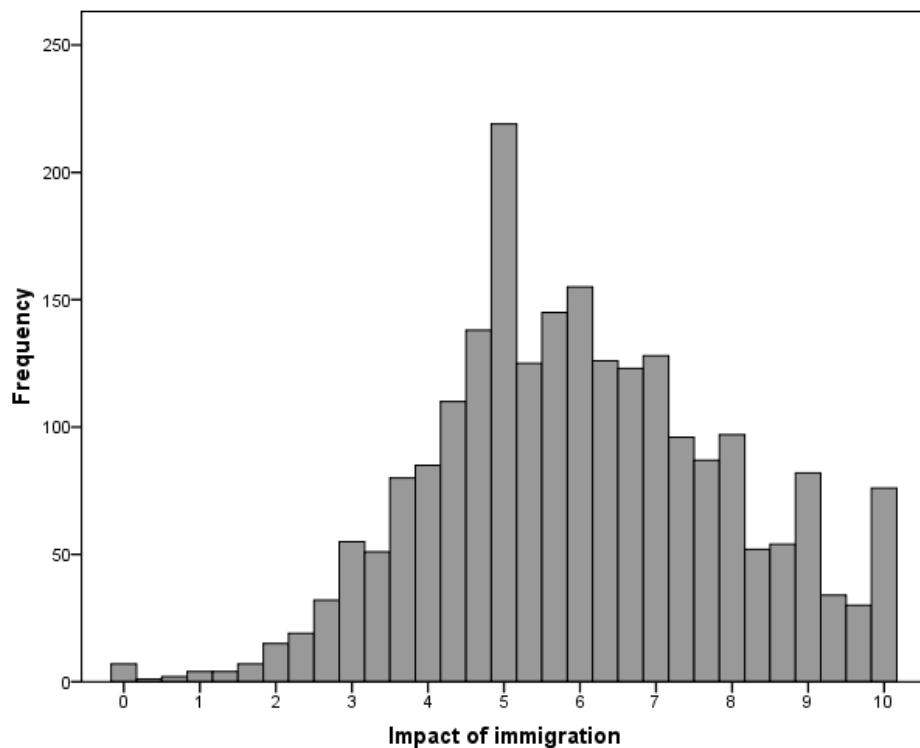
**Figure 1** Frequency distribution Spain “Impact of immigration” ESS-round 2011 (N = 1.793)



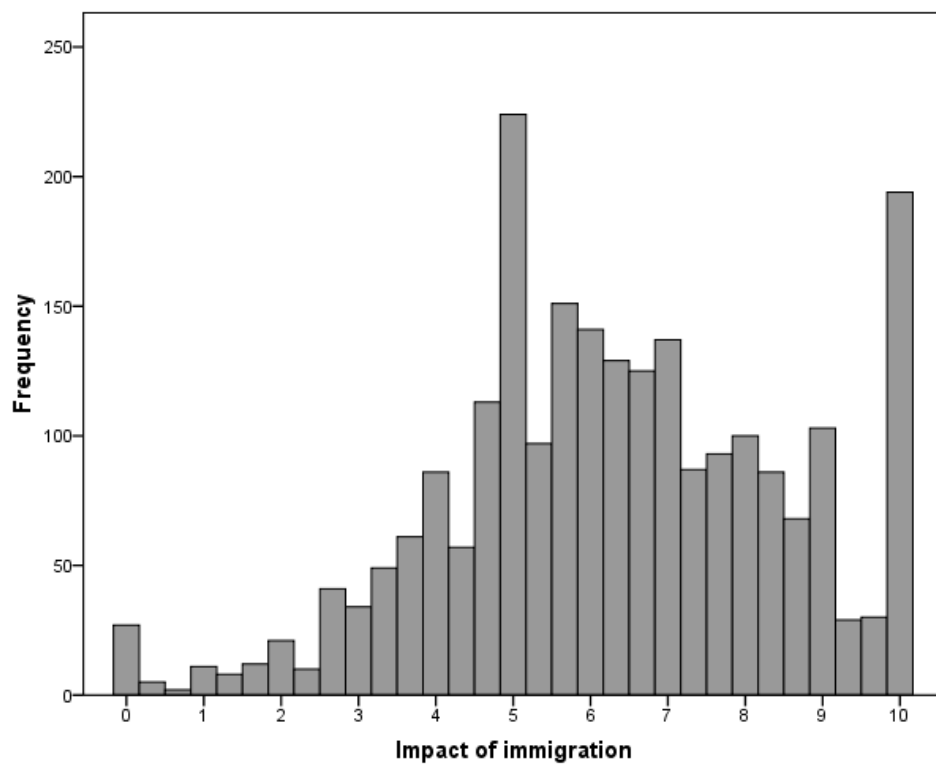
**Figure 2** Frequency distribution United Kingdom “Impact of immigration” ESS-round 2011 (N = 2.321)



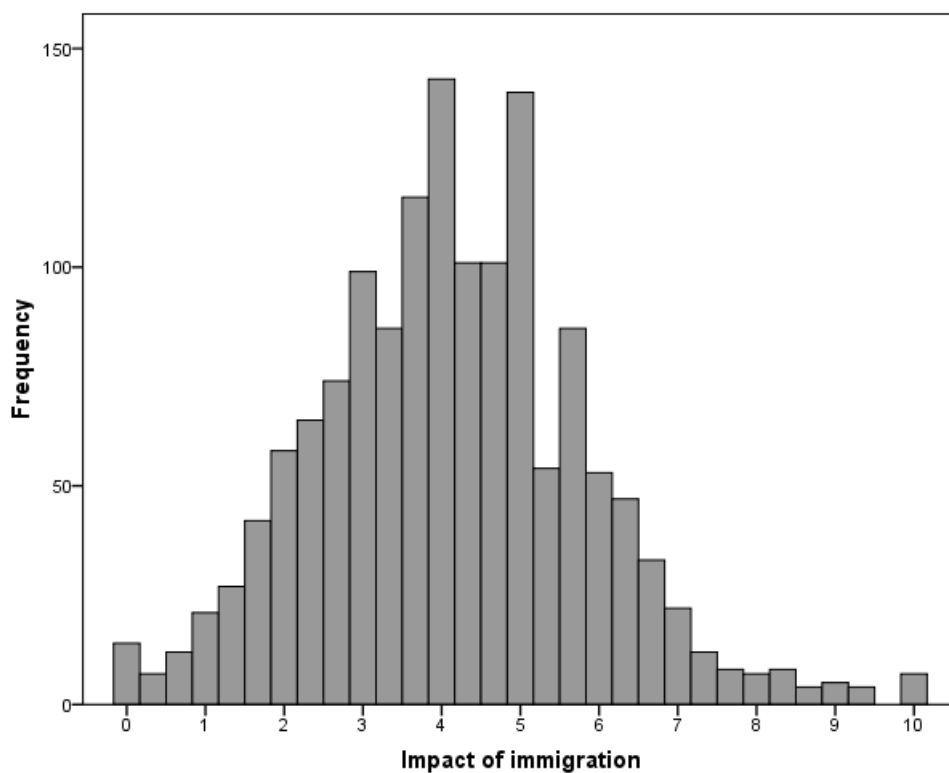
**Figure 3** Frequency distribution Czech Republic “Impact of immigration” ESS-round 2011 (N = 1.936)



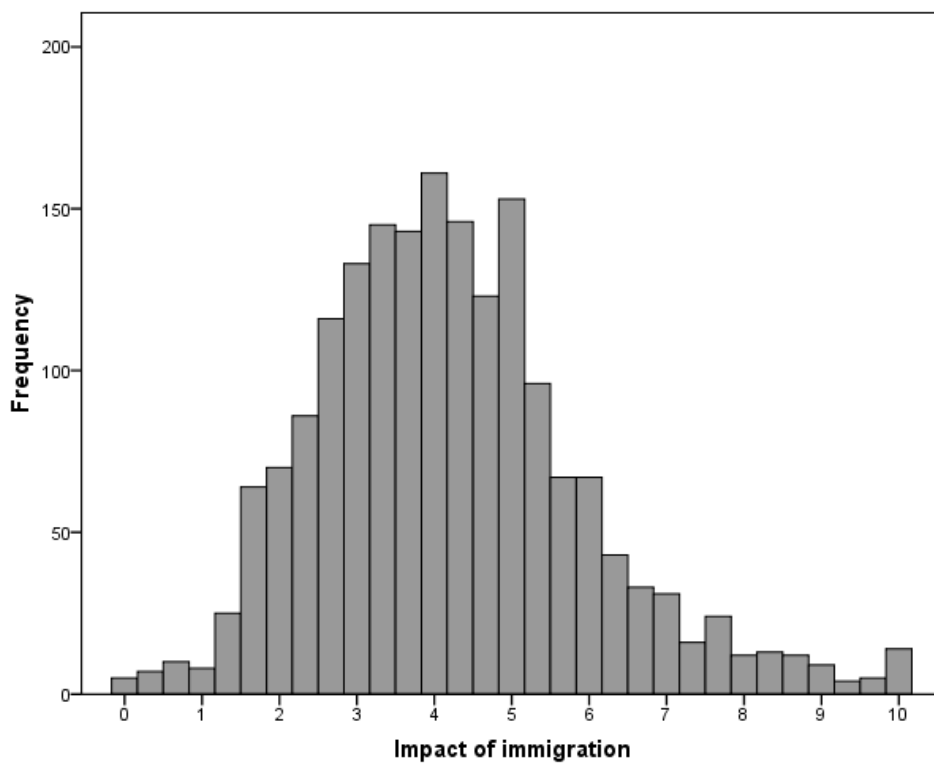
**Figure 4** Frequency distribution Russia “Impact of immigration” ESS-round 2011 (N = 2.203)



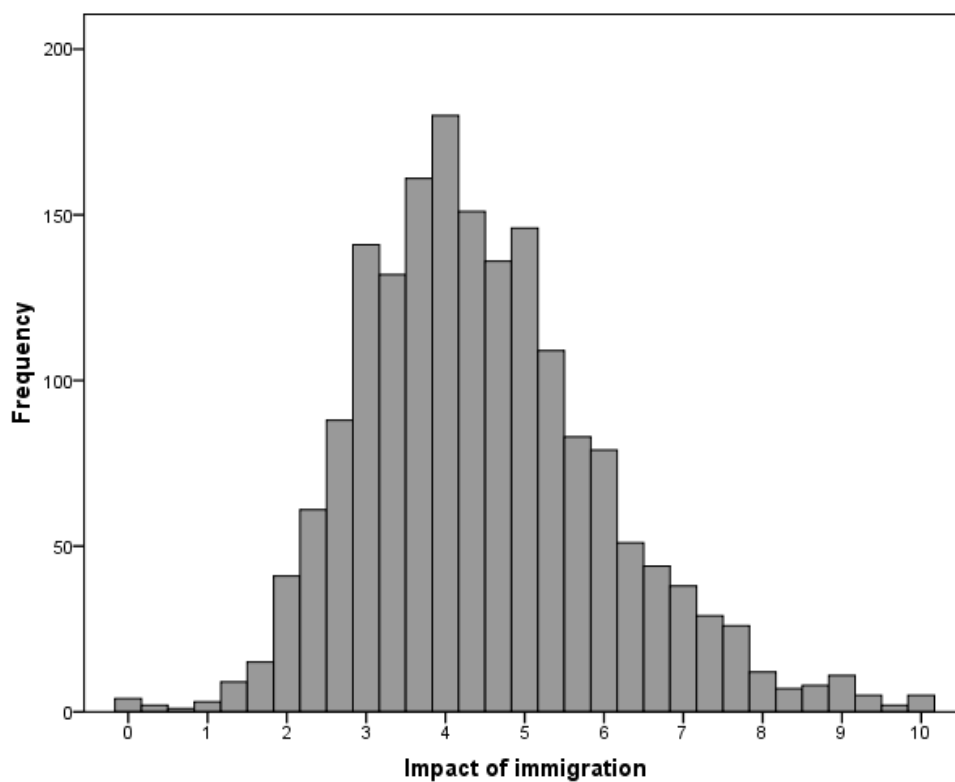
**Figure 5** Frequency distribution Switzerland “Impact of immigration” ESS-round 2011 (N = 1.708)



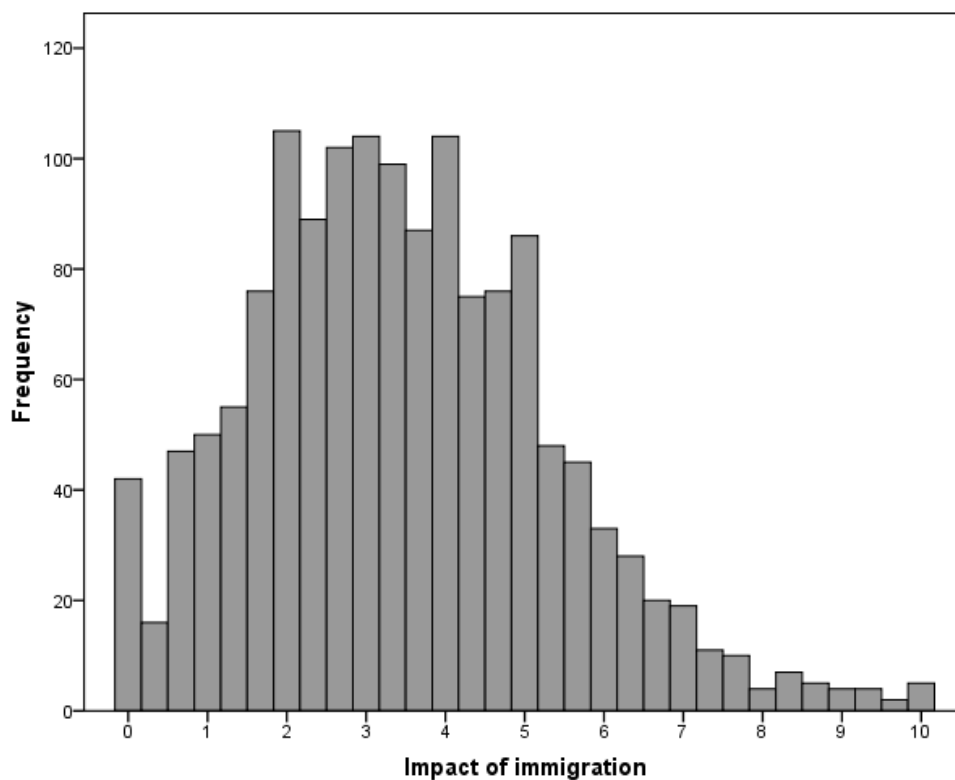
**Figure 6** Frequency distribution Finland “Impact of immigration” ESS-round 2011 (N = 1.735)



**Figure 7** Frequency distribution the Netherlands “Impact of immigration” ESS-round 2011 (N = 1.558)



**Figure 8** Frequency distribution Sweden “Impact of immigration” ESS-round 2011 (N = 1.888)



How has public opinion on immigration developed in countries that showed an above average growth of anti-immigration movements over the past decade? By zooming in on the voting behaviour in some of these countries and by comparing these with the ESS data, we offer an additional test of the supposed link between a more restrictive immigration policy and a changed public opinion on immigration. For this we look at the voting behaviour of political parties in four countries: the Netherlands, Austria, Switzerland, and Denmark. As a guideline, we selected the parties that score higher than 8.5 points on Immerzeel and Lubbers' (2011) scale of "immigration restriction" (see Table 3)<sup>11</sup>.

**Table 3** Scores of European political parties on immigration restriction scale per country

Country	Anti-immigration party	Score on immigration restriction scale <sup>a</sup> 2001	Score immigration restriction scale <sup>a</sup> 2011
<b>Netherlands<sup>b</sup></b>	Lijst Pim Fortuyn	(founded 2002)	8.7
	Partij voor de Vrijheid	(founded 2006)	9.7
	Trots op Nederland	(founded 2007)	8.9
<b>Austria</b>	Freiheitliche Partei Österreichs	9.1	9.6
	Bündnis Zukunft Österreich	(founded 2005)	8.6
<b>Switzerland</b>	Freiheits-Partei der Schweiz	9.5	9.6
	Schweizer Demokraten	9.7	9.8
	Schweizerische Volkspartei	9.1	9.6
	Lega dei Ticinesi	9.6	9.7
<b>Denmark</b>	Dansk Folkeparti	9.7	9.6
	Fremskridtspartiet	9.2	-

**Source:** Lubbers (2001) and Immerzeel and Lubbers (2011). <sup>a</sup> On a scale of 0-10. <sup>b</sup> In 2002 the 'Centrum democraten' party was officially dissolved. In 2001 it scored 9.7 on the scale.

<sup>11</sup> Lubbers (2001) and Immerzeel and Lubbers (2011) constructed their scale on the basis of expert-data. Political scientists, sociologists and survey scientists were asked to classify national political parties in relation to their views on immigration policy.

Table 4 provides an overview of the electoral support for parties who proclaim strong anti-immigration views in the Netherlands. The bold results indicate participation in the national government. From scratch, the List Pim Fortuyn (LPF) obtained seventeen percent of the votes in 2002, but their existence in Dutch national politics was short-lived (partly due to the murder of its leader Pim Fortuyn). The Party for Freedom (PVV) ensured that in 2010, anti-immigration policy firmly returned on the political agenda. That year, the proportion of citizens that agreed with anti-immigrant parties virtually resumed the same level as in 2002. When we compare this with the data in Tables 1 and 2, it becomes clear that despite the large electoral victory of the PVV in the Netherlands, the attitudes of Dutch citizens on both the migration policy and the impact of migration are not particularly extreme and stable over time. Over the years, the Dutch even developed a slightly more optimistic outlook on the consequences of immigration, and currently think more positive about immigration than before the electoral gains of the PVV (see Table 2).

**Table 4** Voting behaviour on anti-immigration parties in the Netherlands. Percentage of valid votes in parliamentary elections.

	<b>May 2002</b>	<b>January 2003</b>	<b>November 2006</b>	<b>June 2010</b>
<b>Lijst Pim Fortuyn</b>	<b>17%</b>	5.7%	0.2%	-
<b>Leefbaar Nederland</b>	1.6%	0.4%	-	-
<b>Partij voor de Vrijheid</b>	-*	-	5.9%	<b>15.4% (government support)</b>
<b>Trots op Nederland</b>	-	-	-	0.6%
<b>Total</b>	<b>18.6%</b>	<b>6.1%</b>	<b>6.1%</b>	<b>16%</b>

Source: [www.electionguide.org](http://www.electionguide.org). \* Party not (yet) participating in elections.

In Austria, the parliamentary representation of anti-immigration parties shows a strong upward trend since 2002 (see Table 5). The political support for the Freiheitliche Partei Österreichs (FPÖ) and Bündnis Zukunft Österreich (BZÖ) increased considerably in the 2000's, from more than ten percent in 2002 to more than 28 percent in 2008. In 2002, the FPÖ participated in the national government; the BZÖ did so in 2006. In 2008, both parties were excluded from participation in government, despite large electoral gains. However, the substantial electoral support for restrictive immigration parties does not correspond to the wider attitude towards immigration policy and the impact of immigration of Austrians in the ESS sample. These results in fact cannot be labelled as extreme anti-immigration and are stable over time, and are therefore not consistent with the surge of parliamentary representation of anti-immigration movements in Austria.

**Table 5** Voting behaviour on anti-immigration parties in Austria. Percentage of valid votes in parliamentary elections.

	<b>November 2002</b>	<b>October 2006</b>	<b>September 2008</b>
<b>Freiheitliche Partei Österreichs</b>	<b>10.1%</b>	11.0%	17.5%
<b>Bündnis Zukunft Österreich</b>	-*	<b>4.1%</b>	10.7%
<b>Total</b>	10.1%	15.1%	28.2%

Source: [www.electionguide.org](http://www.electionguide.org). \* Party not yet participating in elections.

In Switzerland, the number of citizens that vote for anti-immigrant parties is consistently high (see Table 6), even compared to other European countries with influential anti-immigration movements. The proportion of voters that agreed with such parties is close to thirty percent in 2003, 2007 and 2011. By far the largest anti-immigration party is the Schweizerische Volkspartei (SVP), which has a stable support of over a quarter of the Swiss voters. Remarkably, in the ESS data Switzerland scores average or below average when it comes to the tolerance of the arrival of migrants (see Table 1). In fact, the Swiss view the effects of immigration more positively than many other European countries (see Figure 5), and in

2011 scored even lower on both scales than the average of European countries (means scores of 2.23 / 2.40 for immigration policy and 4.11 / 4.87 for impact of immigration).

**Table 6** Voting behaviour on anti-immigration parties in Switzerland. Percentage of valid votes in parliamentary elections.

	October 2003	October 2007	October 2011
<b>Schweizerische Volkspartei</b>	<b>26.7 %</b>	<b>28.9 %</b>	<b>26.6 %</b>
<b>Freiheits-Partei der Schweiz</b>	0.2 %	0.1 %	-
<b>Schweizer Demokraten</b>	<b>1.0 %</b>	0.5 %	0.2 %
<b>Lega dei Ticinesi</b>	<b>0.4 %</b>	<b>0.6 %</b>	0.8%
<b>Total</b>	27.9 %	29.5 %	27.6 %

Source: [www.electionguide.org](http://www.electionguide.org) and Wikipedia.

In Denmark, the Dansk Folkeparti (DF) has a relatively stable electoral following of between 12 and 14 percent. From 2001 to 2011, the DF functioned as an informal partner of the official government parties, providing them with a parliamentary majority (as the PVV currently does in The Netherlands). In the ESS data we see that the ideas of the Danes on immigration policy and the impact of immigration are relatively moderate. In fact, since 2005 the Danes have become slightly more tolerant towards the arrival of migrants (see Table 1). Here, the political representation thus roughly corresponds to the overall attitude of Danes towards migration, although the Danish People's Party in recent years evidently wrongly tried to cultivate the image of the Danish people as being "anti-immigration".

**Table 7** Voting behaviour on anti-immigration parties in Denmark. Percentage of valid votes in parliamentary elections.

	<b>November 2001</b>	<b>February 2005</b>	<b>November 2007</b>	<b>September 2011</b>
<b>Dansk Folkeparti</b>	<b>12%</b> <b>(government support)</b>	<b>13.2%</b> <b>(government support)</b>	<b>13.9%</b> <b>(government support)</b>	12.3%
<b>Fremskridtspartiet</b>	0.6%	-*	-*	-*
<b>Total</b>	12.6%	13.2%	13.9%	12.3%

Source: [www.electionguide.org](http://www.electionguide.org). \* Party did not participate in these elections

## Conclusions

Until now, a representative and longitudinal picture of public attitudes on immigration (measures) in Europe was incomplete. Our analysis of ESS data shows that – apart from some cross-national variations - opinion on immigration in Europe is predominantly neutral. The prevailing idea that the increasing restrictive political policies on immigration reflect the wider views of citizens must be reconsidered. Furthermore, the analysis provides no evidence that Europeans overwhelmingly judge immigration as a negative phenomenon. On average, Europeans value immigration neither as a degradation, nor as an enrichment of society. The views on immigration policy and the impact of the arrival of migrants - roughly the difference between immigration and integration - largely overlap. Attitudes about both the policy and the impact of immigration were also remarkably stable between 2003 and 2011. Public opinion therefore does not run parallel to polarizing and populist discourse on immigration that in this period manifested itself more firmly in politics and the media.

In a representative democracy, the electoral results of a country are often perceived as a direct translation of domestic social sentiments. What is especially noticeable in the European political landscape since the early 2000s is the rise of anti-immigrant parties. This may create the

impression that voting for these parties mainly stems from growing anti-immigration sentiments among the wider population. The ESS data do not justify this conclusion. Even European countries with visible anti-immigration parties that in recent years regularly reached the news with anti-immigration laws and anti-newcomers rhetoric (e.g. Switzerland, Denmark, Austria, the Netherlands), score either neutral or relatively tolerant on both scales. The Dutch are currently even more positive about the consequences of immigration than ten years ago. Even more noteworthy is that between 2003 and 2011, several countries have shifted towards a more tolerant attitude on the arrival of newcomers. This is the case for Bulgaria, Estonia, Norway, Poland and Sweden. No European country, on the other hand, reports a greater intolerance since 2003. In other words, during the examined period we detect no growing discontent towards migrants in Europe. The growth potential of voting behaviour for anti-immigration parties barely rises above the 25% level, but some countries do report more right-wing voting over the years (see Tables 3 to 7). In other words, the potential for dissatisfaction with newcomers is perhaps better mobilized politically, but essentially not much has changed in terms of underlying attitudes of the population at large.

Only Greece, Russia, Hungary, the Czech Republic and Turkey occupy a slightly different position. Most of these countries also surfaced in the analysis of Card et al. (2005), that used data from the first ESS round. On average, citizens from these countries are more negative towards the phenomenon of immigration, yet their attitudes have remained fairly stable over time. There is no indication of a more intolerant trend in these countries since 2003, although in recent years the Czech Republic moved toward slightly more disapproving attitudes. Only the Swedes seem to be ubiquitously positive about immigration. In general, Northern European countries seem to be slightly more sympathetic towards newcomers than southern European countries, but an unmistakable difference in outlook between the two regions does not emerge. There is also no sign of a fundamental difference between Eastern Europe and Western Europe. The “continent moving West” (Black et al., 2010) does not differ in its views on immigration from the continent of destination, nor are Eastern European (emigration) countries themselves united in their judgment. For example, while Hungary is relatively intolerant, Bulgaria is somewhat more tolerant. In other words, there is no indication that residents of countries that benefit from migration also have a more positive outlook on migration itself. The post-hoc tests do show that the opinion of the most “negative” and “positive” countries differ significantly, but it remains

unclear how this should be interpreted. In sum, Europeans on the whole have been neutral on immigration since the early 2000's. Differences between countries are marginal – i.e., some countries are slightly more positive, some slightly more negative - and immigration countries do not differ in their views from emigration countries.

## Discussion

Why is it that our neutral outcomes are so different from previous immigration polls and seem contrary to popular belief? The first explanation must be sought in the selection of respondents. ESS sampling is done randomly, based on population registers. This avoids the problem of self-selection. Panel data are less immune to this methodological flaw, since participants can anticipate on the topic being surveyed. When polling a theme such as immigration, it stands to reason that the people who are most willing to participate, are also the ones who have the most negative preconceptions about that theme (cf. Ziliak and McCloskey, 2008). Secondly, the style of questioning of previous surveys may have had an adverse impact on results. In the IPSOS survey and the Atlas of European Values, the theme of immigration is incorporated explicitly in the questionnaires. In this way, the topic is in effect psychologically “framed” *a priori*. This increases the chance of influencing the choices of respondents. If a person has to respond to the statement “Immigrants make crime problems worse”, as in the Atlas of European Values, this implicitly suggests a causal link between immigration and crime. Cognitive psychology has shown that people intuitively tend to structure phenomena by logical relationships, even if there is no such relationship (Chapman, 1967; Tversky and Kahneman, 1973; see also Taleb, 2007: 62-84). It is not difficult to imagine what the potential effect of such primed formulations could be on respondents filling out immigration surveys.

Opinion polls and surveys also seem to take little account of a negativity bias. Information that is presented in negative terms is more likely to prompt consent than when it is packaged in a positive formulation (Wason, 1959; see also Baumeister et al., 2001). In opinion polls on immigration, assertions are often phrased negatively (e.g. “This country has too many immigrants”, IPSOS). In the ESS items we used for our analysis, such psychological disturbance factors were absent. In order to avoid negative connotations or semantic priming, concepts were measured without explicating the investigated theme. The terms “immigration” and “immigrants” were absent from the ESS survey all together. Instead, we analysed underlying attitudes – as did

Schalk-Soekar et al. (2010) in their study on support for Dutch multiculturalism - such as how one thinks about the arrival of people from other countries and whether this should be viewed as an enrichment or degradation for economic or cultural life. Also, using the scales, ESS respondents were presented with more choices, which in turn enabled a more nuanced view on these issues than the rigid agree/disagree categories of most opinion polls.

Although public opinion on immigration should not be put on par with xenophobia or interethnic perceptions (see Rydgren 2008), our findings do shed new light on forecasts about multicultural coexistence in Europe. It turns out that most Europeans are not very hostile to the idea of newcomers settling in their country. Public views about the social, economic and cultural consequences of immigration are also less grim than is often assumed. The prevailing negative image about this is generated by polarized debates in parliament and media, but finds no legitimacy in empirical observations. This discrepancy between political discourse and public opinion possibly applies to other socio-political themes as well. Obviously, such a notion has implications for the role of public opinion research in contemporary deliberative democracies. To what extent are current polls able to expose "the secret" of its citizens (Tiemeijer, 2006)? And can conventional opinion polls be considered a legitimate instrument of political action? Pierre Bourdieu (1990) once characterized public opinion research as a science without scientists. According to Bourdieu, public opinion is often constructed by commercial agencies ("merchants of illusion") who have an interest in accommodating certain political ideas or in exalting newsworthy outcomes (see also Herman and Chomsky, 1988; Lewis, 2001). But the allegation of a social construction of public opinion cannot be unilaterally blamed on market researchers. An equally relevant point of discussion concerns the investigation of immigration views in academia. For how meaningful are previous scientific findings about determinants of *anti*-immigration attitudes when in effect the overall opinion on the subject is neutral?

Reliable analyses by Fiorina et al. (2010) in the United States refute many axioms about the alleged polarized state of American society. Americans are not nearly as divided on political hot buttons like abortion and homosexuality as the heated debates in Congress or the cosmetic polls in the media seem to suggest. Yet at the same time in Europe, as in the United States, the political debate on various social topics is becoming more intense. Immigration is just one of the controversies. Now that the media is increasingly eager to present itself as the primary political

battleground, and in the process regularly polls the opinion of “the people”, social science has a more urgent task than ever to present the facts.

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# **Job Satisfaction: an application to Central Banks**

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## **Abstract**

Human Resources researchers have studied extensively the topic of job satisfaction, given the possible consequences in terms of productivity, turnover and absenteeism. In this study, we analyse the results of a survey we conducted on the job satisfaction of central bank workers, following one of the most popular methodologies to assess job satisfaction: the Job Descriptive Index (JDI). The results show that the levels of job satisfaction in the three central banks studied are overall good. However, the dimension “opportunities of promotion” has a negative assessment in all three banks. This lack of opportunities, together with the work itself, is indeed the main driver of workers wanting to change jobs. We also show that there is a positive relation between education and job satisfaction in two of the three banks. Finally, the years of service seem to impact negatively job satisfaction of central bank workers, an issue of particular relevance for central banks where job duration is usually long.

**Key words:** Job Satisfaction, Job Descriptive Index, Labour management, Human resources management, Central Banks

## 1. Introduction

Job satisfaction is one of the most widely studied topics in the Human Resources field. Factors like the relation with the co-workers, the remuneration system, the supervision, the work itself or the opportunities for promotion are determinant to assess the satisfaction of the employees. This assessment is crucial for the company as job (dis)satisfaction has consequences in terms of the worker behavior.

There is, in fact, a large branch of literature trying to assess the impact of job satisfaction in the worker behavior. An important dimension usually linked to job satisfaction is job turnover: there are several studies arguing that there is at least some relation between job dissatisfaction and higher turnover (see, for example, Schneider and Snyder, 1975 or Lee and Mowday, 1987). It is also generally accepted that absenteeism is higher, the lower the worker's job satisfaction (see, for example, Hrebiniak and Roteman, 1973 or Scott and Taylor, 1985; for a discussion, see McShane, 1984). The positive relation between job satisfaction and job performance found in some studies is not unanimously accepted in the literature, with studies finding evidence that more satisfied workers are more productive while some others failing to find this relation, or even finding a negative relation between the two variables (see Judge, Bono, Thorenson and Patton, 2001 for a survey).

The focus of our work is the satisfaction of the central bank workers in the European Union, since there are no studies, to the best of our knowledge, focusing on this particular population. Indeed, central bank workers have some distinctive features, in particular comparing to "other" banks, which may impact the results. Central banks have, in general, more rigid structures, with lower opportunities of promotion. Also, central banks provide their workers with less transferable skills (in the sense that the specificities of the work are not always of use in the private sector). At the same time, central banks usually provide life-long jobs and therefore provide more job security for their workers. Thus, it is interesting to assess the level of job satisfaction of these workers, and to understand the dimensions where their employers should focus in order to improve job satisfaction.

For this study, we conducted a survey among different central banks from the European Union, following one of the most popular methodologies to assess job satisfaction<sup>12</sup>: the Job Descriptive Index (JDI) from the Bowling Green State University.

In this paper we present the results of the survey, aiming at shedding some light on the level of job satisfaction of central bank workers and, more importantly, identifying those areas that are more problematic and that deserve further attention by the employer. We also elaborate on the main differences between the workers that intend to change job and the ones that want to stay and on the relation between job satisfaction and education, years of service and age.

The remainder of the paper is organized as follows: section 2 describes the methodology, section 3 presents the dataset, section 4 discusses the results and, finally, section 5 concludes.

## 2. Methodology

The JDI was developed in 1969 by Smith, Kendall e Hulin<sup>13</sup> and has since been developed by the scientific community<sup>14</sup>. The initial methodology was revised in 1985, 1997 and 2009. In the present study we follow the latest version.

This measure of job satisfaction is based on a survey divided into five categories. Each of those categories represents the worker satisfaction on a particular domain: the work itself, the co-workers, the supervision, the opportunities for promotion and the remuneration. This division is of utmost importance since it allows an identification of the problematic areas and a focused follow-up action. In each of these categories the respondent is presented with a list of items describing the category and must reply yes ('Y') in case the item describes the worker situation, no ("N") if it does not describe the worker situation and, finally, "?" if the worker cannot decide. The JDI is complemented by the measure *Job in General* (JIG) that intends to give an overall view of job satisfaction (as opposed to the segmented view of the JDI).

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<sup>12</sup> For some studies assessing job satisfaction for the banking sector see Crossman and Abou-Zaki (2003), Sekaran (1989) or Dubin and Champoux (1977).

<sup>13</sup> See Smith, Kendall e Hulin (1969).

<sup>14</sup> For an assessment of the validity of the job descriptive index in comparison with other measures of job satisfaction, see, for example, Saane, Sluiter, Verbeek and Frings-Dresen (2003), Kinicki, McKee-Ryan, Schriesheim and Carson (2002) or Golembiewski and Yeage (1978).

Table 1 presents a summary of the items included in the JIG as well as in each of the JDI categories. For each worker and each of the columns of Table 1, we calculate an index resulting from the sum of the score of the different items, according to the following rules<sup>15</sup>:

- Positive items (+): Yes is equivalent to 3 points, “?” is equivalent to 1 point and No is equivalent to 0 points.
- Negative items (-): No is equivalent to 3 points, “?” is equivalent to 1 point and Yes is equivalent to 0 points.

This procedure allows us to construct the different indices, varying from 0 to 54. For the dimensions “Promotions” and “Remuneration”, with nine items each instead of the usual 18, the final result is multiplied by 2. To improve the readability of the results, the indices were normalized to a scale going from 0 to 10, where 0 is complete dissatisfaction and 10 is total satisfaction.

### **3. The dataset**

We conducted an online survey where, in addition to the standard questions of the JDI (and the JIG), we included demographic questions such as age, education or nationality and, also, questions related to the employer, the year in which the worker started to work for the current employer and the intention to change job in the coming year.

The online survey was circulated by e-mail to the central banks of the European Union on 9 November 2011. In this study we included the replies received up to 28 November 2011.

During this period, we received 90 replies from the following central banks: 36 replies from Banco de Portugal (BdP), 34 from the European Central Bank (ECB) and 20 from Banque de France (BdF). The replies from other central banks were not considered given their limited number.

The average age in our sample is between 32-33 years old (Table 2). In terms of years of service with the current employer, the BdP presented the higher value (9,5 years), followed by BdF (6,9 years) and, finally, by the ECB, with an average of 4,2 years. This result is probably linked to the fact that the ECB is a young institution, created in 1998.

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<sup>15</sup> For a description of the methodology, please refer to Brodke et al (2009).

Concerning the level of education of workers (Table 3), the BdP presents, in our sample, the lowest percentage of employees with a masters or higher: 61%, against 80% in BdF and 86% in the ECB. The percentage of PhD holders in the ECB is twice as high as the one of BdP and three times the one in BdF.

Finally, in terms of turnover (Table 4), the BdF presents the higher number of employees that say that they would like to change job in the coming year (35%), followed by the BdP (31%) and the ECB (24%).

**Table 1 – Items included in the JIG and in the different categories of the JDI**

Job in General	JDI - Co-workers	JDI - Supervision	JDI - Work	JDI - Promotions	JDI - Pay
(+) Pleasant	(+) Stimulating	(+) Supportive	(+) Fascinating	(+) Good opportunities for promotion	(+) Income adequate for normal expenses
(-) Bad	(-) Boring	(-) Hard to please	(-) Routine	(-) Opportunities somewhat limited	(+) Fair
(+) Great	(-) Slow	(-) Impolite	(+) Satisfying	(+) Promotion on ability	(-) Barely live on income
(-) Waste of time	(+) Helpful	(+) Praises good work	(-) Boring	(-) Dead-end job	(-) Bad
(+) Good	(-) Stupid	(+) Tactful	(+) Good	(+) Good chance for promotion	(+) Comfortable
(-) Undesirable	(+) Responsible	(+) Influential	(+) Gives sense of accomplishment	(-) Very limited	(-) Less than I deserve
(+) Worthwhile	(+) Likeable	(+) Up-to-date	(+) Respected	(-) Infrequent promotions	(+) Well paid
(-) Worse than most	(+) Intelligent	(-) Unkind	(+) Exciting	(+) Regular promotions	(+) Enough to live on
(+) Acceptable	(-) Easy to make enemies	(-) Has favourites	(+) Rewarding	(+) Fairly good chance for promotion	(-) Underpaid
(+) Superior	(-) Rude	(+) Tells me where I stand	(+) Useful		
(+) Better than most	(+) Smart	(-) Annoying	(+) Challenging		
(-) Disagreeable	(-) Lazy	(-) Stubborn	(-) Simple		
(+) Makes me content	(-) Unpleasant	(+) Knows job well	(-) Repetitive		
(-) Inadequate	(+) Supportive	(-) Bad	(+) Creative		
(+) Excellent	(+) Active	(+) Intelligent	(-) Dull		
(-) Rotten	(-) Narrow interests	(-) Poor planner	(-) Uninteresting		
(+) Enjoyable	(-) Frustrating	(+) Around when needed	(+) Can see results		
(-) Poor	(-) Stubborn	(-) Lazy	(+) Uses my abilities		

**Table 2 – Age and years of employment – average, by bank**

(average)	BdP	BdF	ECB
Age	32,9	31,5	31,9
Years of service	9,5	6,9	4,2

**Table 3 – Education, by bank**

Education	BdP	BdF	ECB
Doctoral degree or higher	8%	5%	15%
Masters degree	53%	75%	71%
Bachelors degree	36%	20%	15%
Lower than Bachelors degree	3%	0%	0%

**Table 4 – “Would you like to change job in the coming year?”, by bank**

	BdP	BdF	ECB
No	69%	65%	76%
Yes	31%	35%	24%

#### 4. Results<sup>16</sup>

In terms of overall job satisfaction, all banks present good levels (Table 5, “Job in General” line).<sup>17</sup> The ECB reaches the highest result, 8,3 out of 10, followed by the BdP (7,9) and the BdF (6,8).<sup>18</sup> Turning now to the different facets of job satisfaction (Table 5 and Chart 1), we see that

<sup>16</sup> The STATA code used in this study is available upon request.

<sup>17</sup> The Job in General index (JIG) intends to be a measure of overall satisfaction. It is not constructed as the aggregation of the five dimensions of the Job Descriptive Index. In fact, it was designed to capture the overall assessment of a worker towards her/his job.

<sup>18</sup> In the ECB case one should keep in mind that a large part of the employees are expatriates. As discussed in Pina e Cunha et al (2007), p.197, the satisfaction of expatriates is also linked with factors related to destination and the origin country, with organizational factors and with individual characteristics.

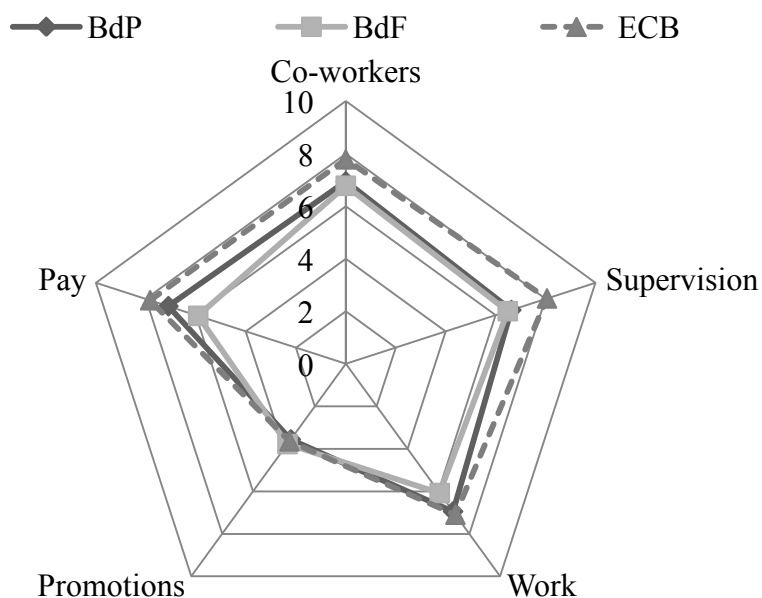
the opportunities of promotion is the only dimension with a negative assessment in all central banks. This result is of particular relevance since it allows the employer to perform a targeted intervention and to understand what should be the priorities in this field.

**Table 5 – Job satisfaction indices, by bank**

	<b>BdP</b>	<b>BdF</b>	<b>ECB</b>
Job in General	7,9	6,9	8,3
Co-workers	6,9	6,8	7,8
Supervision	6,6	6,5	8,1
Work	6,9	6,1	7,1
Promotions	3,6	3,8	3,6
Pay	7,1	5,9	7,8

**Chart 1 – Different dimension of job satisfaction, by bank**

*The further away from the centre, the higher the satisfaction*



Another important result is linked to the job satisfaction of workers that say that they want to change job in the coming year. Theoretically, one would expect a negative relationship between satisfaction and turnover. This result is confirmed in our sample, as presented in Table 6: employees who wish to change jobs indeed display lower levels of job satisfaction. In the three central banks analysed, the major differences between workers that want to change job and workers that want to stay are related to the work itself and to the opportunities of promotion. The dimension “Work”, with a positive assessment between 7 and 8 for the ones that do not want to change job, presents a negative assessment, between 4 and 5, for the workers that want to change job. The dimension “Promotions”, which already presents unfavourable assessment for the workers that want to stay, becomes even more negative, with results between 1 and 2.

**Table 6 – Job descriptive Index, by bank and by intention to change job**

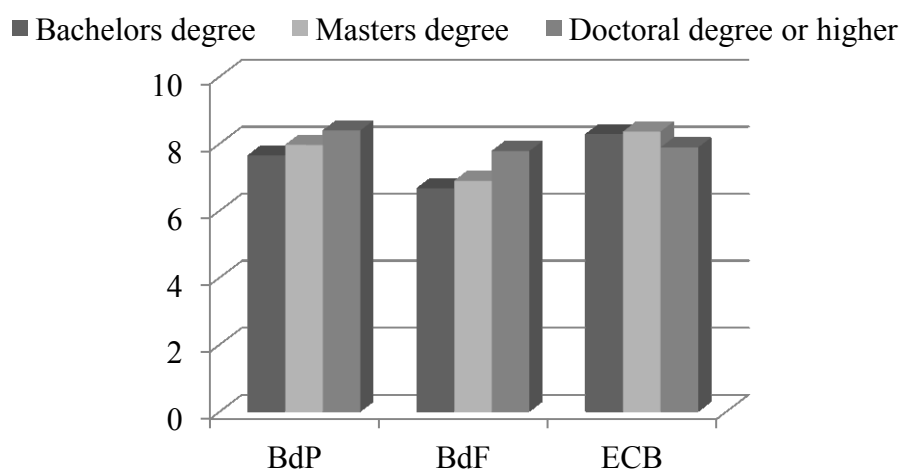
*No means that the worker does not want to change job in the coming year; Yes means that the worker wants to change job in the coming year; Diff represents the difference between Yes and No*

	<b>BdP</b>			<b>BdF</b>			<b>ECB</b>		
	No	Yes	Diff.	No	Yes	Diff.	No	Yes	Diff.
Job in General	8,5	6,5	<b>-2</b>	7,6	5,6	<b>-2</b>	8,7	7	<b>-1,7</b>
Co-workers	7,5	5,7	<b>-1,8</b>	7,4	5,7	<b>-1,7</b>	8,3	6,5	<b>-1,8</b>
Supervision	7,1	5,4	<b>-1,7</b>	7,1	5,3	<b>-1,9</b>	8,2	7,2	<b>-1</b>
Work	7,9	4,8	<b>-3,1</b>	7	4,4	<b>-2,6</b>	7,9	4,6	<b>-3,3</b>
Promotions	4,3	1,8	<b>-2,5</b>	5,1	1,4	<b>-3,7</b>	4,5	1,5	<b>-3</b>
Pay	7,6	6	<b>-1,6</b>	6,2	5,3	<b>-0,9</b>	7,6	8,6	<b>1,1</b>

It is also of relevance to assess the impact of education on job satisfaction. In terms of overall satisfaction (Chart 2), it seems that there is a positive relation between education and job satisfaction in the BdP and the BdF. It is interesting to note that in these two banks, only the holders of a PhD make a positive assessment, even if low, of the opportunities of promotion (Table 7 and Chart 3). In the ECB, higher education is associated with higher satisfaction with

the co-workers, with the work itself and with the remuneration but, at the same time, with lower satisfaction with the supervision.

**Chart 2 – Overall job satisfaction, by bank and education**



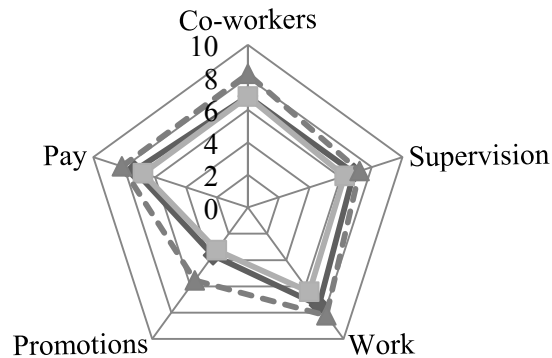
**Table 7 - The different dimension of job satisfaction, by education**

	BdP			BdF			ECB		
	Bachelors degree	Masters degree	Doctoral degree or higher	Bachelors degree	Masters degree	Doctoral degree or higher	Bachelors degree	Masters degree	Doctoral degree or higher
Job in General	7,6	8,0	8,4	6,7	6,9	7,8	8,3	8,4	7,9
Co-workers	6,8	6,8	8,2	6,6	6,8	7,8	6,9	7,8	8,4
Supervision	6,9	6,3	7,2	6,1	6,5	7,6	9,0	8,1	7,2
Work	7,4	6,4	8,2	5,4	6,2	7,0	6,2	7,2	7,3
Promotions	3,6	3,3	5,6	3,6	3,7	6,3	2,4	4,1	2,8
Pay	7,3	6,8	8,1	4,7	6,1	7,0	7,5	7,8	8,4

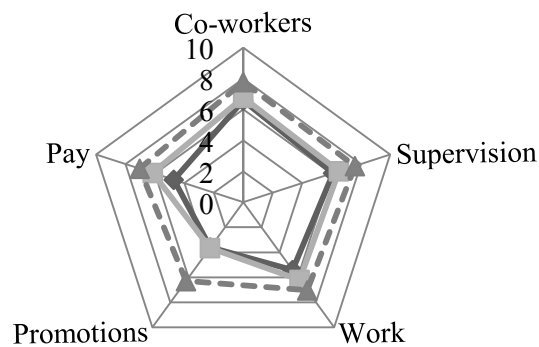
**Chart 3 – The different dimension of job satisfaction, by education**

*The further away from the centre, the higher the satisfaction*

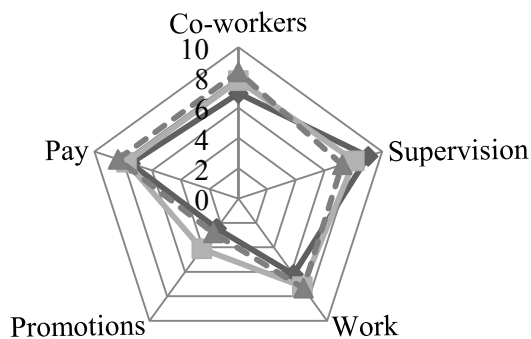
**BdP**      —◆— Bachelors degree      —■— Masters degree      -▲- Doctoral degree or higher



**BdF**      —◆— Bachelors degree      —■— Masters degree      -▲- Doctoral degree or higher



**ECB**      —◆— Bachelors degree      —■— Masters degree      -▲- Doctoral degree or higher



Finally, we analysed the impact of two demographic variables in the satisfaction of workers (Table 8). There are several studies trying to assess the relation between job satisfaction and age or tenure. The results are, however, not conclusive. Concerning age, some studies find a positive

relation (e.g. Bowen, Radhakrishna and Keyser, 1994 or Gibson and Klein, 1970) while others find no relation (e.g. Sarker, Crossman and Chinmeteepituch, 2003 or Scott, Swortzel and Taylor, 2005,). In what concerns tenure, some studies report a negative relation (e.g. Gibson and Klein, 1970) whereas others report no relation (e.g. Castillo, J. X., and Cano, J. (1999)). For a survey on the relation between job satisfaction and age and tenure see Oshagbemi (2003).

According to our data, there is a negative and significant correlation between years of service and overall job satisfaction (as in Gibson and Klein, 1970) and, in particular, with the dimensions co-workers and supervision. In line with the research of Sarker, Crossman and Chinmeteepituch (2003) and Scott, Swortzel and Taylor (2005), we find that the correlations between job satisfaction and age are not significant in our sample.

**Table 8 – Correlation between tenure and age with the different dimensions of job satisfaction**

	<b>Tenure</b>	<b>Age</b>
Job in General	-0,18*	-0,07
Co-workers	-0,28**	-0,14
Supervision	-0,28**	-0,03
Work	-0,09	-0,00
Promotions	+0,09	+0,11
Pay	-0,03	+0,02

Legend: \* Significant at 10%; \*\* Significant at 1%

## 5. Conclusions

Our analysis shows that the levels of job satisfaction in the European Central Bank, Banco de Portugal and Banque de France are overall good. The dimension concerning the opportunities of promotion has, however, a negative assessment in all three banks and should be a priority area of intervention by central banks aiming at improving their employees' job satisfaction.

This lack of opportunities, together with the work itself, is the main driver of workers wanting to change jobs. It should be noted that turnover is not necessarily negative for the

company, as long as it relates to the least productive employees. Further analysis is therefore needed to better grasp the differences between potential stayers and potential leavers, before suggesting any action to the institutions.

We also show that there is a positive relation between education and job satisfaction in two of the three banks, hinting at a potential positive return for the bank of the investment in training and education of its workers, on top of the ones directly linked to better-educated workers.

Finally, years of service seem to have a negative impact on job satisfaction of central bank workers, in particular concerning the relation with co-workers and with supervisors. In the context of central banks, where job duration is usually long, this issue is of particular relevance and call for further action, with measures targeted for workers that are for longer time on the job.

One should keep in mind that our analysis was based in a relatively small sample and therefore our study should be extended, by using larger samples and by assessing job satisfaction levels in other central banks. This would help to have a more comprehensive view of job satisfaction of employees of central banks.

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# **Financing An Income Generating Activities Among the Poor Rural Households: The Case of the Amanah Ikhtiar Malaysia**

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## **Abstract**

This paper aims to provide an insight on the economic performance of the Amanah Ikhtiar Malaysia (AIM) Rural Microfinance Programme based on a case study in Kelantan, Malaysia. The central focus of the AIM's Rural Microfinance Programme is the provision of loan to the low income rural households to be used for financing an income generating activities. In general Amanah Ikhtiar Malaysia or AIM modeled along the GB concept of Bangladesh was established in 1987, being the first serious replicator of the Grameen concept. The emergence of the Grameen Bank (GB) microcredit scheme since the late 1970s in Bangladesh has been widely acclaimed as the most successful development effort in the 1980s, 1990s and the new millennium. Microcredit has been well documented to have economic and social implications such as increasing in the income, reducing poverty and empowering the poor by offering them opportunities to access economic resources. In relation to this, the purpose of this paper is to examine (i) to what extent the Amanah Ikhtiar Rural Microfinance Programme has been effective in increasing the incomes of its participants and (ii) its effectiveness in the reduction in the incidence of poverty among its participants. This case study was conducted in Kelantan based on a sample of 140 participants. Results of the study shows that the participants had a significant increased in their household income and a reduction in the incidence of poverty. AIM can thus be regarded as the effective programme with excellent machinery in dealing with poverty in the rural area.

**Key words:** Rural poverty, Microcredit, Development programs

## 1. Introduction

The war against poverty is not a new agenda for many developing countries. This is because since gaining independent from their former western colonial master after World War II, almost all of these countries have implemented variety of social and economic development programmes in an effort to improve the standard of living among its population notably in the rural areas. Among the programmes implemented were the Community Development Programme, the Green Revolution, Integrated Rural Development and agricultural credit scheme either as a specific programme or as a key component in the rural development strategy. However, the role of credit as the mechanism in the alleviation of rural poverty is not so prominent in the conventional development approach (Mohamed Zaini, 2010). The situation has changed drastically with the emergence of the Grameen Bank (GB) microcredit scheme in Bangladesh in the late 1970s had shown the world of how microcredit has been used as entry point in combating rural poverty. Microcredit has been well documented to have an economic and social implications such as increasing in the income, reducing in the incidence of poverty and empowering the poor by offering them opportunities to access economic resources.

Briefly the centre piece of the GB programme is the specially designed delivery system exclusively with the poor in mind. The GB was a big success that it has become the most prominent development model, being widely replicated in most country across the globe. Malaysia version of the GB concept known as the Amanah Ikhtiar Malaysia or AIM was established in September 1987 is the first serious replicator of the GB in the world. AIM was established with the sole purpose of assisting the very poor households to lift themselves out of poverty primarily by means of benevolent loans to be used for financing an income generating activities. In general, AIM is a non-governmental organization that has been recognized by the government because it is complementing and not competing against the government effort in combating poverty. AIM approach is consistent with the national policies of the New Economic Policy (NEP: 1971-1990), National Development Policy (NDP: 1991 -2000), National Vision Policy (NVP: 2001-2010) focussing on the poor. The current “New Economic Model” unveiled in early 2010, had sustained the earlier policies but this time putting emphasis on the bottom 40% households of the low income group, poor and extreme poor households. Seen in this light, AIM can be regarded as an important machinery in the alleviation of poverty in Malaysia.

The purpose of this paper is to examine (i) to what extent the Amanah Ikhtiar Rural Microfinance Programme has been effective in increasing the incomes of its participants and (ii) its effectiveness in the reduction in the incidence of poverty among its participants. Thus in order to get an answer on these issues, a study was conducted in several AIM branches in the state of Kelantan, Malaysia based on a sample of 140 respondents. To put things in perspective this paper will review briefly the related literature. It will be followed by describing the methodology, results and discussions and a conclusion.

## **2. Literature Review**

This section will review the related literature and will begin by reviewing briefly the concept of microcredit and Grameen Bank. It will then be followed by highlighting AIM rural microcredit programme, the core of this paper with emphasis on its objective, branch expansion, memberships, amount of loans disbursed and AIM specially designed delivery system exclusively and preferentially for the poor.

### **a) The Concept of Microcredit and Grameen Bank**

In general the concepts of “microcredit” and “microfinance” are used interchangeably by many researchers, but in actual fact microcredit is part of microfinance. Microcredit has been defined as the process of lending capital in small amounts to poor people who are previously being looked upon as unbankable. This loan will enable them to invest in self-employment (Kasim and Jayasooria, 2001). Microfinance is defined by the Asian Development Bank (ADB) as "the provision of a broad range of financial services such as deposits, loans, payment services, money transfers, and insurance to poor and low-income households and their microenterprises" (ADB 2000). Microfinance generally caters to the financial needs of underprivileged groups including female heads of households, pensioners, displaced persons, retrenched workers, small farmers, and micro entrepreneurs. These borrowers (Sapovadia, 2006) are generally self-employed and household-based entrepreneurs with an unstable income sources and usually resided in rural and urban areas.

A variety of organizations have been involved in the delivery of microcredit services during the last two decades as shown in Table 1. Three of the biggest name in microcredit are the

Bangladesh Rural Advancement Committee (BRAC) and the Association for Social Advancement (ASA), while the Grameen Bank is the biggest financial institution providing microcredit in Bangladesh. Similarly, Amanah Ikhtiar Malaysia (AIM) is the first serious replicator of GB model and also the largest NGO in Malaysia providing microcredit which we are turning to next. In this study, the term “microcredit” is used to describe the lending programs that have adopted some of the organizational principles of microfinance of the Grameen model. Briefly the Grameen Bank seeks to provide credit to the poor rural households in without collateral but stressed on the joint liability among the poor as the basic building block of the programme to facilitate wide range of income generating activities. The Grameen bank had demonstrated that the poor are bankable and had proven that credit is one of the critical missing links in the rural development.

Throughout 1980s and early 1990s, the GB has served as an inspiration for many development workers. The Grameen Bank was so successful that it has become the prominent development model, being widely replicated across the globe in Asia, Africa, South America, United States, Russia, Australia and Norway (Hulme, 1990; Remenyi, 1991; Md Rezaul Karim and Mitsue, 1998; Ganesh Thapa, 2008; Kanika Taneja, 2009). The influenced of GB was so prominent that by late 1990s there existed more than 7000 microfinance institutions worldwide (Wheat, 1997). Finally in 2006 its founder, Professor Muhammad Yunus was awarded the 2006 Nobel Laureate for Economic.

**Table 1 : Lists of some of the Microcredit Models Throughout the World**

Name of Organization		Location
1	Grameen Bank	Bangladesh
2	ASA	Bangladesh
3	Building Resources Across Communities (BRAC)	Bangladesh
4	Amanah Ikhtiar Malaysia	Malaysia
5	Projek Usahamaju Maju (Sabah)	Malaysia
6	Bank Rakyat Indonesia (BRI)	Indonesia
7	Maha Bhoga Marga (MBM) Way of Prosperity (Bali)	Indonesia

8	Tan Yew Mai	Vietnam
9	Vietnam Bank for Social Policies (VBSP)	Vietnam
10	Spandana	India
11	SHARE (Andhra Pradesh)	India
12	Nirdhan (West Bengal)	India
13	Rural Development Organization	India
14	Caja Popular Mexicana	Mexico
15	Compartamos	Mexico
16	BCSC	Colombia
17	Accion Commutono Del Peru	Peru
18	El Instituto De Dessaralo De Sector Informal	Peru
19	Foundation Contigo	Chile
20	Philippines Business for Social Progress	Philippines
21	Ahon Sa Hirap	Philippines
22	Ala sa Kabuyahan Inc	Philippines
23	World Vision Sri Lanka (WVSL)	Sri Lanka
24	Matara Integrated Rural Development Project	Sri Lanka
25	Jeeva Sanwardhanaya Ayanthayana (JSA)	Sri Lanka
26	Nirdhan Nepal	Nepal
27	Malawi Mudzi Fund (MMF)	Malawi
28	Kenya Rural Enterprise Project (KREP)	Kenya
29	Voluntary Organization in Community Enterprise	Zimbabwe
30	Zimbabwe Women Bureau (ZWB)	Zimbabwe
31	Zimbabwe Project Trust	Zimbabwe
32	Presidential Trust Fund	Tanzania

33	Tesfa Lemat	Ethiopia
34	Lift Above Poverty	Nigeria
35	Nalt Nusho	Nigeria
36	Microenterprise Loan Program (North Carolina)	USA
37	Grameen America	New York, USA

Sources: Remenyi, 1991; Hulme, 1990; Todd, 1996; Beatriz and Ariane, 2009

([http://en.wikipedia.org/wiki/Grameen\\_America](http://en.wikipedia.org/wiki/Grameen_America): access on 11/8/2012

#### **b) The Brief Background of the Amanah Ikhtiar Malaysia (AIM)**

The birth of AIM in 1987 is an attempt to provide an alternative strategy in the alleviation of the rural poverty in Malaysia towards the end of the New Economic Policy (NEP) period of 1971 to 1990. The basic philosophy of the NEP was growth with equity with special emphasis on the eradication of poverty and restructuring of society. As a result during the NEP period, various rural development strategies were implemented to combat the rural poverty with an allocation of RM32.7 billion (SERU, 1991). These included the Integrated Agricultural Development Program (IADP), land and regional development, land consolidation and rehabilitation and had resulted in the reduction of rural poverty from 58.7 in 1970 to 19.3% in 1990.

However poverty has continued to be a problem especially the hardcore poverty and such a situation has thus paved the way for the implementation of an alternative strategy in the form of the Amanah Ikhtiar Malaysia (AIM). The word IKHTIAR, which mean endeavor is the key philosophy behind AIM program and was established (AIM, 1987:15) “*for the sole purpose of assisting very poor households to lift themselves out of poverty primarily by means of benevolent loans to be used for financing income generating activities*”.

From a single branch in 1987, AIM has expanded to include a total of 88 branches operating in the poorest district throughout the country with membership of 284,039 and had disbursed a cumulative total of RM5.8 billion of loans to its member by August 2011. These 88 branches are organized via the *group-centre concept* which is translated in the form of 69,056 groups, federated into 7426 centers (AIM, 2011). Membership of AIM is open to households who earn an income of less than two-thirds of the government’s poverty line are regarded as poor (for

instance when the programme made it debut in Northwest Selangor in 1986, the National Poverty Line was then RM350,00). The targeted clients are those rural households with a monthly income of less than RM250,00 or per capita income of less than RM50.00. However membership eligibility has been revised from time to time so as to give more opportunity to the wider audience of rural households of becoming AIM member. Currently AIM is open to households earning a household income equal to or lower than RM2,000 or per capita below RM400 a month.

**Table 2** below had demonstrated that starting with only 20 members during its early stage of formation, the number had increased to 42,861 during the next ten years (1996). By September 2011, the enrolment figure went up to an astonishing 284,893 members. Such a figure suggests that AIM had managed to provide the ray of hope and opportunity for its members to strive hard to overcome the problem of poverty. This is a remarkable achievement especially when it is an initiative of the non government sector. The amount of loan disbursed cumulatively over the past two decades that had surpassed 5.8 billion shows that a circulation of credit or money in the rural area had proven the ability of the poor in using the loans to generate incomes through its various generating activities.

**Table 2: Membership And Amount of Loan Disbursed : 1986 to 2011**

<b>Year</b>	<b>Memberships</b>	<b>Amount of Loan Disbursed</b>
1986	20	-
1987	359	-
1988	283	-
1989	909	-
1990	3220	RM 891,488
1991	9401	RM 2,970,467
1992	18,918	RM 7,318,141
1993	25,470	RM 18,512,693
1994	33,001	RM 23,339,550

1995	39,401	RM 34,716,000
1996	42,861	RM 47,912,552
1997	51,052	RM 90,216,140
1998	55,954	RM102,685,700
1999	59,716	RM 82,980,990
2000	66,683	RM 107,247,260
2001	77,283	RM 128,126,650
2002	85,229	RM 140,712,480
2003	88,657	RM 152,082,150
2004	148,628	RM 325,969,550
2005	148,664	RM 304,531,030
2006	157,218	RM 344,883,284
2007	173,973	RM 432,246,370
2008	191,432	RM 565,911,058
2009	237,933	RM3,726,021,473
2010	263,795	RM4.832.066,685
2011 (31 September)	284,893	RM5.891,850,606

Sources: Mohamed Zaini Omar (2010); AIM, (2010; 2011).

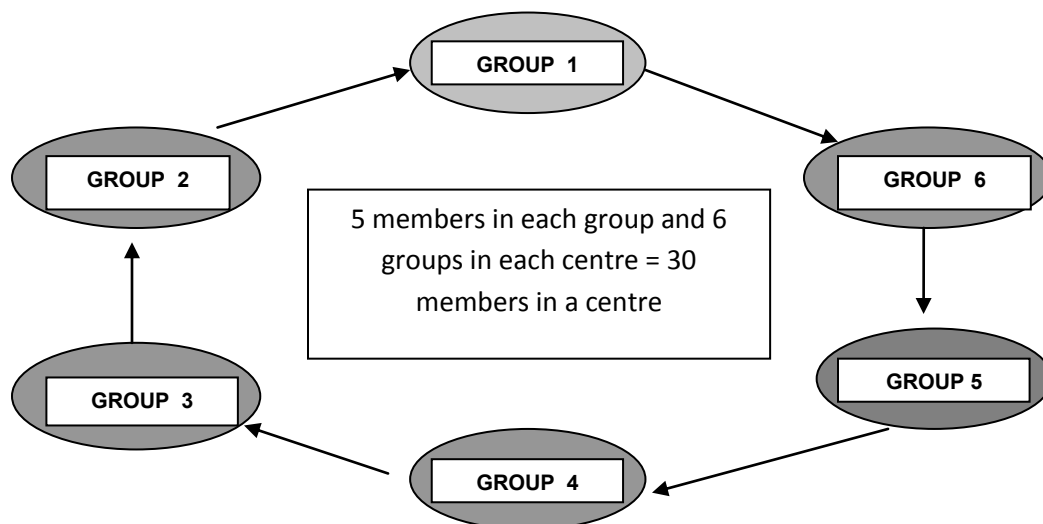
#### **e) Exclusive Delivery System of AIM Programme of AIM**

AIM is a programme designed exclusively with the poor in minds and has a number of central design features as described below (Omar, 2002):

- a) Suitable loan conditions and simple procedure and as a result loan is provided with no collateral, no guarantors, no interest and no legal action will be taken for failing to repay.

- b) Group liability as a substitute for collateral which required that each group member is to stand guarantor for every other member and credit discipline via peer pressure and support.
- c) The ‘group’ concept has been the basic building block of this programme as shown in figure 1 had been strengthened by federating the group into a centre which thus developed into a unique “sociological phenomenon of multi-layered filters” of peer pressure and support. This has contributed to the maintenance of credit discipline.
- d) Its loans are strictly for any income generating activities and to ensure that loans are properly utilized, it will be closely monitored by AIM’s staff.
- e) Compulsory weekly savings in the group fund is another interesting feature.
- f) Apart from the loan product comprising of the economic loan, education loan and multipurpose loan, it also provides saving (group saving) and security (Islamic insurance and welfare fund) services.

**Figure 1 : The Group-Centre Concept in AIM microcredit scheme**



### 3. Methodology of the Study

The purpose of this study is to examine the economic performance of AIM rural microcredit programme on its participants based on a case study in Kelantan, Malaysia. Kelantan is the state in Malaysia with the highest number of AIM's borrowers amounting to 39,503 followed by Kedah with 32,439 borrowers. AIM branches in Kelantan comprises of (i) Tanah Merah, (ii) Pasir Mas, (iii) Tumpat, (vi) Kuala Krai, (v) Machang, (vi) Jeli, (vii) Pasir Putih (viii) Bachok, (ix) Gua Musang and (x) Kota Bharu. The analysis of this study is based on primary data collected through the well administered questionnaire carried out through a survey in February to June 2011.

**Figure 2: The District of Kelantan**



In order to examine the economic performance of AIM microcredit scheme in Kedah, it is thus hypothesized that microcredit to the low income households can be effective in increasing the incomes as well as reducing the incidence of poverty. From this, a hypothesis related to this study can be generated as follows:

*“Microcredit granted to programme participants in the study area has been effective in increasing participants’ incomes as well reducing the incidence of poverty among them after the utilization of the microloan (credit)”*

The sampling technique is a simple random sampling and 140 programmes participants were involved in this study. In general, the questionnaire mainly focuses on the profile of the respondents and income generating activities. The conceptual design that is normally used in this study as suggested by Kartar (1986), of “before” and “after” is presented as follows with “income” as the central variable.

**Table 3: Conceptual Framework of “Before” and “After” Design**

	“Before” the Programme	“After” the Programme
Programme Participants	<i>Ea1</i>	<i>Eb1</i>

Where: *Ea1*: level of income of participants “before” enrolling into AIM.

*Eb1*: level of income “after” enrolling into AIM and utilize the loan.

Hulme (1997) argues that assessment indicators for microfinance programme must be measurable and include an economic and social indicators. In this study the focuses is on the economic indicator namely the level of income which is in line with the current definition of the low income group and poverty as spelt out under the New Economic Model (NEM) of Malaysia unveiled in 2010. The seriousness of the government in providing assistance to the low income group, the poor and hardcore poor has been the main feature of the previous national development framework of NEP, NDP and NVP that focus on the eradication of poverty.

The NEP is being succeeded with the National Development Plan (NDP) (1991-2000) and the New Vision Policy (NVP) (2001 – 2010). The NDP was formed to continue the pursuit of balanced development based on NEP foundation and focuses on the eradication of hardcore poverty and to reduce relative poverty between and within races. The NVP still focuses on poverty eradication programme. In early 2010 the government had launched the New Economic Model (NEM), focusing on increasing the productivity of workers with the purpose of increasing their income with emphasis on the bottom 40% households. Thus three category of income category of income had been identified namely (GTP, 2010):

- i. Low income households - income less than or equal to RM2000 per month
- ii. Poor households - income of less than or equal RM750.00
- iii. Extreme poor (hardcore) - income less than or equal to RM 440 per month.

From the analysis of 140 samples, the next section provides the results of the findings.

#### **4. Findings and Discussion**

As noted above the purpose of this paper is to examine (i) to what extent the AIM's programme has been effective in increasing the income of its participants after the utilization of loans and (ii) whether it has led to the reduction of the incidence of poverty among its participants. The analysis is divided into two sections namely:

(a) The respondents' profile based on Table 4

(b) Analysis of the findings based on Tables 5, 6, 7 and 8

##### **a) The Respondent's Profiles**

AIM programme is entirely for woman and as results 100% of the respondents are women, the loan can be utilized by the male member of the particular households. In term of the age, the highest number is between the 30 to 50 age group comprises of 58.6%, with 20% and 38.6% in the 30-39 and 40-49 ages' groups respectively. On the whole the average age of the sample is 45 years old. This therefore indicated that they are in the economically active age group. In terms of

education, 72.1% of the respondents had received the secondary school education (combination of the 26.4% in the lower secondary and 45.7% in the upper secondary), while 17.1% had completed their primary education with 6.4% did not have any formal education. This suggests that most respondents have the ability to read and write and this important in their economic pursuit. In term of household size, the highest number is in the 4-6 category, accounting for 46.4%. The average household size 5 per households and this is line with the national figure.

**Table 4: Profile of 140 sample respondents**

<b>Variables</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Age</b>		
Below 20	0	0
20 – 29	12	8.6
30 – 39	28	20.0
40 – 49	54	38.6
50 – 59	34	24.3
60 and above	12	8.6
<i>Mean age = 45</i>		
	140	100
<b>Level of Education</b>		
No formal education	9	6.4
Religious school	1	0.7
Primary school	24	17.1
Lower secondary	37	26.4
Upper secondary	64	45.7
Vocational/technical	5	3.6
	140	100
<b>Household size</b>		

1 – 3	40	28.6
4 – 6	65	46.4
7 – 9	27	19.3
10 – 12	7	5.0
12 and above	1	0.7
<i>Mean household size = 5</i>		
	140	100

Source: Field data, 2011

## b) Analysis of the Findings

In order to determine the economic performance of whether AIM loans has been effective in increasing the income of its participants after the utilization of loans, an analysis is based on the changes of “before” and “after” the utilization of loans. However it will interesting to highlight the findings of (i) the previous impact studies as shown in table 4 and (ii) what has been the outcome of the present study as shown table 5.

## i) Previous Impact Study:

**Table 5: Various Impact Studies on AIM Borrowers: 1988 – 2011**

Impact Studies	Average household incomes “without” micro-credit	Average household incomes “with” micro-credit	Changes in Household incomes	Samples and Place of Study
AIM Impact Study 1	RM 142	RM 220	+RM 78	178 AIM members in Northwest Selangor

(1988)			(55%)	
AIM Impact Study 2 (1990)	RM 221	RM 391	+RM 170 (77%)	150 AIM members and 50 from the “control group” in Seberang Perai and Northwest Selangor
M. Jimenez (1990)	RM 185.6	RM 431.6	+RM 246 (133 %)	50 AIM members in Northwest Selangor
SERU (1991)	RM 198	RM 466	+RM 268 (135 %)	587 AIM members (396 active members and 191 ex-members) in Kedah, S.Perai and Selangor
Chamhuri Siwar (1992)	RM 162.6	RM 459.0	+RM 309 (138%)	310 AIM members in Northwest Selangor, Seberang Perai, Kelantan Terengganu and Kedah
AIM Impact Study 3 (1993)	RM 223	RM 532	+RM 296 (182.3 %)	Based on 152 AIM borrowers in Perak, Northwest Selangor, S. Perai, Kedah, Kelantan and Terengganu.
Mohd Taib Dora (1993)				Sample of 60 AIM borrowers in Selangor.
Mohamed				265 AIM borrowers and 254 “control group” in Baling, Kedah
				207 AIM active borrowers, 25

Zaini (1995)	RM 194.85	RM 254.92	+RM 60 (30.8%)	non-borrowing AIM members, 12 dropouts & 104 control group
Sukor Kasim (2000)	RM 165	RM 317	+RM 152 (92 %)	Internal Impact Study conducted in 2007
AIM Impact Study (2007)	RM 201	<b>RM 627</b>	+RM 426 (211%)	172 members covering 8 AIM's branches in Kedah
Mohamed Zaini et al (2011)	RM324	RM1948	+RM1624 (502%)	150 members of Urban microfinance in Pulau Pinang
Mohamed Zaini et al (2012)	RM1287	RM2703	+1416 110%	
	RM1193	RM2216	+1023 (86%)	

Sources: Mohamed Zaini Omar (2010, 2011,2012)

The main achievement of AIM has to be seen in the context of its sole objective of increasing the income of its participants. This has been confirmed from several impact studies which were conducted between 1988 and 2006 on AIM's borrowers as summarized in table 4 . All these studies had come to a similar conclusions that AIM loans had significantly contributed to an improvement in the income level of participants after the utilization of loans.

## ii) The Present Study

**Table 6: Distribution of Household Income Per Month: “Before” – “After”**

Income (RM)	Before		After	
	N	%	N	%
1000 and below ( <i>VLI</i> )	83	59.3	18	12.9
1001 – 2000 ( <i>LI</i> )	40	33.7	39	27.9
2001 – 3000 ( <i>LMI</i> )	6	4.3	38	27.1
3001 – 4000 ( <i>MI</i> )	7	5.0	16	11.4
4001 – 5000 ( <i>HI</i> )	3	2.1	10	7.1
5001 and above ( <i>HIG</i> )	1	0.7	19	13.6
Total (N)	140	100	140	100
Mean Income	RM1367.71		RM3134.21	
Standard Deviation	1532.723		2553.396	

(RM100 is equivalent to approximately US\$33.00)

An analysis based on table 6 found that the participants had increased their household income from RM1367 (“before”) to RM3134 (“after”), an increment of 129% or RM1766. However it will be interesting to look at the whole range of income pattern earned by participants based on six categories namely (i) *VLI* = *Very Low Income*, (ii) *LI* = *Low Income*, (iii) *LMI* = *Low Middle Income*, (iv) *MI* = *Middle Income*, (v) *HI* = *High Income*, (vi) *HIG* = *Highest Income*.

i) The starting point of this study is to look at the “before” situation which had shown that there were 59.3% or 83 respondents in the “*VLI*” range of below RM1000 prior to joining AIM. However after joining AIM and utilizing its loan, they had undergone an upward movement in their incomes.

ii) Households in the “*LF*” have been reduced from 33.7% (“before”) to 27.9% (“after”), but in actual fact this has led to an increased in the other income categories especially in the “*LMP*”, which had increased from 4.3% (before”) to an astonishing 27.1% (“after”), an increment of 22.8%.

iii) A much more positive result can be seen in the top three income range of RM3001 and above (combination of the *MI*, *HI* and *HIG*), which had increased from 7.8% (5.0% “*MI*” + 2.1% “*HI*” + 0.7% “*HIG*”) “before” to 32.1% (11.4% “*MI*” + 7.1% “*HI*” + 13.6% “*HIG*”) in the “after” situation. The actual results of an increment in these three categories are:

(a) in the “*MI*” from 5.0% (before) to 11.4% (after).

(b) in the “*HI*” from 2.1% (before) to 7.1% (after).

(c) in the “*HIG*” from 0.7% (before) to 13.6% (after).

This analysis suggests that the trends of income patterns of “before” and “after” had shown that the AIM rural microcredit had managed to increase the income of the programme participants. Now we will resort to T-test to see whether the increased in income is significant or not and will be revealed next.

### iii) T-test

Table 7: Paired Samples T-Test of “Before” and “After” Situation Household Monthly

Income

Variable	Number of Cases	Mean Income	Standard Deviation	Standard Error
"Before"	140	RM1367.71	1532.723	129.539
"After"	140	RM3134.21	2523.396	215.801
Difference in Mean RM1766.50	Std Error  239.101	t-value  -8.936	Degree of Freedom  139	Significant level  0.000

Data on household income for “before” and “after” the utilization of loans was compared using paired samples T-test with results as shown in table 7. The probability value is (.000) less than the alpha value ( $\alpha=.05$ ) and this shows that there is a significant difference in the mean income for the “before” (RM1367) and “after” (RM3134.21). This conclusions is based on the significant level,  $\alpha=.05$  (5%) or level of confidence (95%). With this result, we can therefore conclude with confidence that programme participants are economically better of than they were before, by having a higher income. This had proven that AIM rural microcredit programme in the past studies and in the present study had proven beyond doubt the effective of the microcredit programme of reaching the poor and brought about a positive impact in the form of a higher income.

#### **v) The Progress of The Households: From “Hardcore Poverty” to “Poor” and “Low Income”**

In order to establish the progress of the households in crossing from the “hardcore poverty” to “poor” and “low income”, three categories have been identified as shown in table 8 namely : (i) extreme poor (hardcore poor) - income less than or equal to RM 440 per month, (ii) poor households - income of less than or equal RM750.00 and (iii) low income households - income less than or equal to RM2000 per month.

**Table 8: Progress from “ Extreme Poverty” - “Poverty” - “Low Income”**

Income (RM)	Before		After	
	N	%	N	%
RM440 and below	13	9.3	0	0
RM441- RM750	34	24.3	8	5.7
RM751 -RM2000	76	54.3	49	35.0
2001 and above	17	12.1	83	59.3
Total	140	100	140	100

An analysis shows that the percentage of households in the “extreme poverty” category, those with income less than RM440 had declined from 9.3% (before) to 0% (after) and thus AIM microcredit had managed to get rid of the hardcore poverty group. Similarly the percentage of households in the “poor” category, those with an income in the range of RM441 – RM750 had also been reduced from 24.3% (before) to 5.7% (after), with a much higher percentage of reduction by 18.6%.

In “low income” category, those with income of RM751- RM2000, had also seen the reduction from 54.3% “before” to 35.0% “after”. The findings shows that most of the household in this “low income” category had actually crossed into RM2001 and above income threshold with a substantial number from 12.1.% “before” to 59.3% after becoming a member and utilization of loan, an increment of 47%.

#### **vi) Validation of the hypothesis**

From the above analysis it is therefore clear that the participants in Kelantan had managed to increase their household income from RM1367 (“before”) to RM3134 (“after”), an increment of 129% or RM1766. Similarly most of the participants had also managed to cross the “low income” line into a much higher income bracket. This suggests that the participants PKMB are generally better off than were before prior to joining the programme. Thus the hypothesis that *“microcredit granted to AIM’s PKMB participants in the study area has been effective in increasing participants’ incomes as well reducing the incidence of poverty among them after the utilization of the microloan (credit)”* is found to be true and could be accepted.

### **5. Conclusions**

The Grameen Bank has revolutionized the idea of microcredit as a means of reaching the poor directly and preferentially and has thus demonstrated that the poor are bankable and had proven that credit is one of the critical missing links in the rural development. Grameen Bank was so successful that it has become the prominent development model, being widely replicated across the globe. Amanah Ikhtiar Malaysia was established in 1987 with the sole purpose of assisting

the very poor households to lift themselves out of poverty primarily by means of benevolent loans has undergone a major expansion in membership amounting to 284,000 and had disbursed a cumulative total of RM5.8 billion of loans to its member.

Various studies had found that AIM's loans had been effective in increasing the income of its member and managed to push them up the social ladder i.e, from being very poor to poor and out of poverty threshold. AIM can thus be regarded as an "association of the very poor people" working together for their common good. AIM has actually been regarded as a complementary to the government poverty alleviation programme. The New Economic Model unveiled in early 2010, had shown the seriousness of the government in providing assistance and emphasis on the bottom 40% households especially the low Income, poor and extreme poor households. The agenda of poverty reduction has been the prominent features of the previous three national development framework namely New Economic Policy, National Development Plan (1991-2000) and National Vision Policy (2001 – 2010). Seeing in this connection, AIM is still relevant and will continue to play its role as a machinery in dealing with poverty both in urban and rural areas in the era of the New Economic Model after having doing it successfully during the NEP, NDP and NVP.

With all the accomplishment, credit (not loan) should be given to Amanah Ikhtiar Organization as it painstaking business of venturing into a challenging territory by putting Grameen Bank concept of microcredit onto the Malaysian soil effectively. Thus as convincingly pointed by Sham in the early 1990s on the role of credit as the machinery in poverty alleviation and still effective based on various and present studies in Malaysia (1991: 250):

“Credit is increasingly perceived as one of the most powerful means for alleviation of poverty in the short run. It provides the poor with much needed access to productive resources, which can generate new employment and income generating opportunities”

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# **The Impact of New Forms of Social Organization of Work on Policies and Practices of Human Resources Management. A Case on Romanian Management Culture**

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## **Abstract**

In a turbulent global social environment, the main rules of economic and social processes reconfigures every day, setting the dynamic operating principles and mechanisms for all forms of social organization.

Dynamic social and economic life has generated a growing competition from larger to obtain resources, and economic capital deficit is launching a series of challenges on the global labor market. In this sense, current trends in the international labor market are anchored in the new paradigm of social organization of labor-*postfordism* (Piore, Siebel 1984 *Apud* Giddens, 2010, Sociology, p. 718).

New model of structuring the work activity in contemporary society, where human capital resources are key strategic element, has generated a growing competition in the international labor market for recruiting the best employees.

Considering the international challenges on social organization of labour, in what follows, I want to make a study on Romanian policies and practices of human resources management that are

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shaping on the labour market. Data will be presented in this material are those resulting from pre-test phase of the study.

The main purpose of this study is to highlight the certain features of Romanian policies and practices of human resources management, in order to observe the impact of the global turbulent environment on them.

Research objectives of this study are:

- (1) to identify the characteristics of the Romanian policies and practices of human resources management;
- (2) to achieve a comparative analysis between management models adopted in public institutions, multinational corporations and private organizations for profit;
- (3) to identify the impact of international social and economic dynamics on the Romanian labour market, in order to extent the analysis over other countries.

**Key words:** new forms of social organization of work, Post-Fordism, risk society, policies and practices of human resources management, work society, knowledge society.

## **Introduction**

In a turbulent global social environment, the main rules of economic and social processes reconfigures every day, setting the dynamic operating principles and mechanisms for all forms of social organization.

The new trends in the international labor market are part of a process of transition from a society characterized by standardization of work (Fordism), to a society characterized by individualization of work (Post-Fordism). This transition involves certain changes in structuring the work activity, as follows: “the more work relations are ‘deregulated’ and ‘flexibilized’, the faster work society changes into a risk society incalculable both in terms of individual lives and at the level of the state and politics, and the more important it becomes to grasp the political

economy of the risk in its contradictory consequences for economics, politics and society” (Beck, 2000, *The Brave New World of Work*, p. 3).

In this respect, the main purpose of the study is to highlight the certain features of Romanian policies and practices of human resources management, in a time when “the picture of society...changes dramatically under the influence of a political economy of insecurity” (Beck, 2000, *The Brave New World of Work*, p. 3).

In what follows, I will present the data resulted from a pre-test stage of the study, in order to identify the impact of international social and economic dynamics on the management styles used in Romanian labour market. Research component of this study is based on making in-depth interviews with managers coming from different fields and sectors of activity.

## **D) THE THEORETICAL FRAMEWORK OF THE STUDY**

The transformation of work society is close tied to the new paradigm of social organization of labor *postfordism*. In this sense, the paradigm of Post-Fordism “describes a new era of capitalist economic production in which flexibility and innovation are maximized in order to meet market demands for diverse and, customized products” (Giddens, 2001, *Sociology*, p. 385).

### **I.A) Post-Fordism working trends in Anthony Giddens’s view**

**1.** The *distinguishing features of Post-Fordism* in Giddens’s view are the following:

- *Flexible production or flexible specialization* – “that small teams of highly skilled workers use innovative production techniques and new forms of technology to produce smaller quantities of goods that are more individualized than the mass-produced ones; changes in designs, options and features can be introduced more frequently” (Giddens, *Sociology*, p. 385).

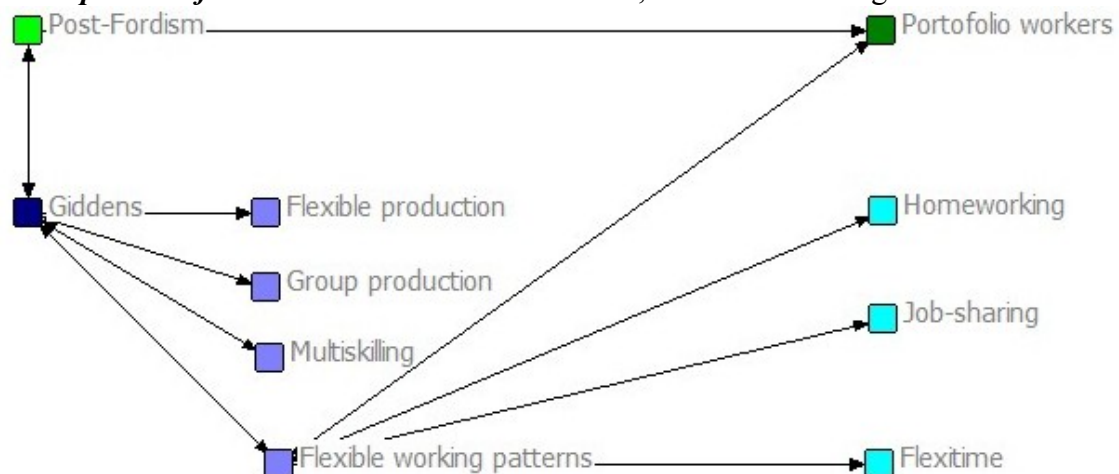
#### **[Theoretical statement number 1].**

- *Group production* – a way “to increase worker motivation by letting groups of workers collaborate in production process” (Giddens, 2001, *Sociology*, p. 385). Thus, two practical examples highlighted by Giddens are: (i) *quality circles*, defined as “groups of between five and twenty workers who meet regularly to study and resolve production

problems” (Giddens, 2001, Sociology, p. 386) and (ii) *collaborative teams/teamwork*, defined as “a way of enhancing the efficiency and cost-effectiveness of product development and problem-solving” (Giddens, 2001, Sociology, p. 386). **[Theoretical statement number 2]**.

- *Multiskilling* – “the new forms of work allow employees to increase the breadth of their skills by engaging in a variety of tasks, rather than performing one specific task over and over again” (Giddens, 2001, Sociology, p. 386). **[Theoretical statement number 3]**.
- *Flexible working patterns*:
  - *Flexitime* – “allows workers to choose their own working hours within set limits” (Giddens, 2001, Sociology, p. 404). **[Theoretical statement number 4]**.
  - *Job-sharing* – “allow two people to share the responsibility, and the earnings for one position” (Giddens, 2001, Sociology, p. 404). **[Theoretical statement number 5]**.
  - *Homeworking or wired workers* – “allows employees to perform some or all of their responsibilities from home, with the help of a computer and modem” (Giddens, 2001, Sociology, pp. 404, 405). **[Theoretical statement number 6]**.
  - *Portofolio workers* – “they will have a ‘skill portofolio’ a number of different job skills and credentials-which they will use to move between several jobs and kinds of job during the course of their working lives” (Giddens, 2001, Sociology, p. 414). **[Theoretical statement number 7]**.

2. The *picture of Post-Fordism* in Giddens’s view, after summarizing data:



### I.B) Post-Fordism working trends in Ulrich Beck’s view

1. The *distinguishing features of Post-Fordism* in Beck’s view are the following:

- *Work relations "deregulated" and "flexibilized"* – "the more work relations are 'deregulated' and 'flexibilized', the faster work society changes into a risk society incalculable both in terms of individual lives and at the level of the state and politics, and the more important it becomes to grasp the political economy of the risk in its contradictory consequences for economics, politics and society" (Beck, 2000, *The Brave New World of Work*, p. 3). **[Theoretical statement number 1]**.
- *The Transition from the First to the Second Modernity:*
  - *The first modernity* – "was characterized by collective lifestyles, full employment, the national state and the welfare state, and an attitude of heedless exploitation of nature" (Beck, 2000, *The Brave New World of Work*, p.18). **[Theoretical statement number 2]**.
  - *Reflexive modernization* – "puts the central focus on the self-transformation and opening up of the first, national modernity process which have, for the most part, been unintended and unforeseen. What it signals is no longer change in society, but change of society...change affecting the foundations of the whole modern societies...The term refers to the transition away from the first modernity locked within the national state, and towards a second, open risk-filled modernity characterized by general insecurity". (Beck, 2000, *The Brave New World of Work*, p. 19). **[Theoretical statement number 3]**.
  - *The second modernity* – "is characterized by ecological crises, the decline of paid employment, individualization, globalization and gender revolution" (Beck, 2000, *The Brave New World of Work*, p. 18). **[Theoretical statement number 4]**.
- *The Future Scenarios of Work:*
  - A. *Science-based information technologies:*
    - Scenario number 1 (Hope): *From the work society to the knowledge society* – "In the transition to the second modernity, it is necessary to make a board leap from the industry and service society to the knowledge and information society...The most prominent feature of this society will be the centrality of knowledge as an economic resource. Knowledge, not work, will become the source of social wealth; and knowledge workers who have the capacity to translate specialized knowledge into profit-producing innovations (products, technological and organizational innovations), will become the privileged group in society" (Beck, 2000, *The Brave New World of Work*, p. 40). **[Theoretical statement number 5]**.

- Scenario number 2 (Collapse): *Capitalism without work* – ”Technologically advanced capitalism reduces the number of well-paid and secure full-time jobs, then societies of the second modernity will have to choose between conflicting paths of development. Either there will be mass unemployment and society will split between those with and those without a job, with all the dangers it implies for democracy. Or else it will be seen as necessary to move away from the work society: that is, to redefine work and employment, to open ways to a new order covering not only the social and corporate organization of work, but the values, goals and normal biographies in society as a whole” (Beck, 2000, *The Brave New World of Work*, p. 43). **[Theoretical statement number 6]**.

B. *Globalization*:

- Scenario number 3 (Hope): *The worldmarket-the neoliberal jobs miracle* – ”The fear of global competition overlooks two things. First, export intensive sectors of the economy are dependent not only upon the site of direct workplace of interaction, but also upon a wider regional economy that includes insurance representatives, financial advisers...In this sense, globalization presupposes localization – a service society tied to the locality. Second, products that can be produced and traded ‘transnationally’, sent here and there with unprecedented dedication, make-up an ever-shrinking proportion of world economy” (Beck, 2000, *The Brave New World of Work*, p. 45). **[Theoretical statement number 7]**.
- Scenario number 4 (Collapse): *The fixed location of work-a globalization of risk* – ”There is a historical tendency toward increasing interdependence of the labour force on a global scale, through three mechanisms: global employment in the multinational corporations and their associated cross-border networks, impacts on international trade on employment and labour conditions, and effects of global competition and of the new mode of flexible management on each country’s labour force” (Beck, 2000: 46). According to Beck, ”the fixed location of labour means that working people are losers in the struggle to distribute the global risk of globalization” (Beck, 2000, *The Brave New World of Work*, p. 47). **[Theoretical statement number 8]**.

C. *Ecological crises*:

- Scenario number 5 (Hope): *Sustainable work-the ecological economic miracle* – ”The centerpiece of this scenario is the idea of an ecological tax. According to this model,

which would seem to rule itself out rather like the squaring of a circle, a tax on the use of nature is coupled with the cheapening of labour, the government lowers secondary wage-costs and compensates for this with a tax on consumption. This is supposed to solve two key problems at once: labour becomes cheaper and energy more expensive, resulting in more employment and more environmental protection ” (Beck, 2000, *The Brave New World of Work*, p. 49). **[Theoretical statement number 9]**.

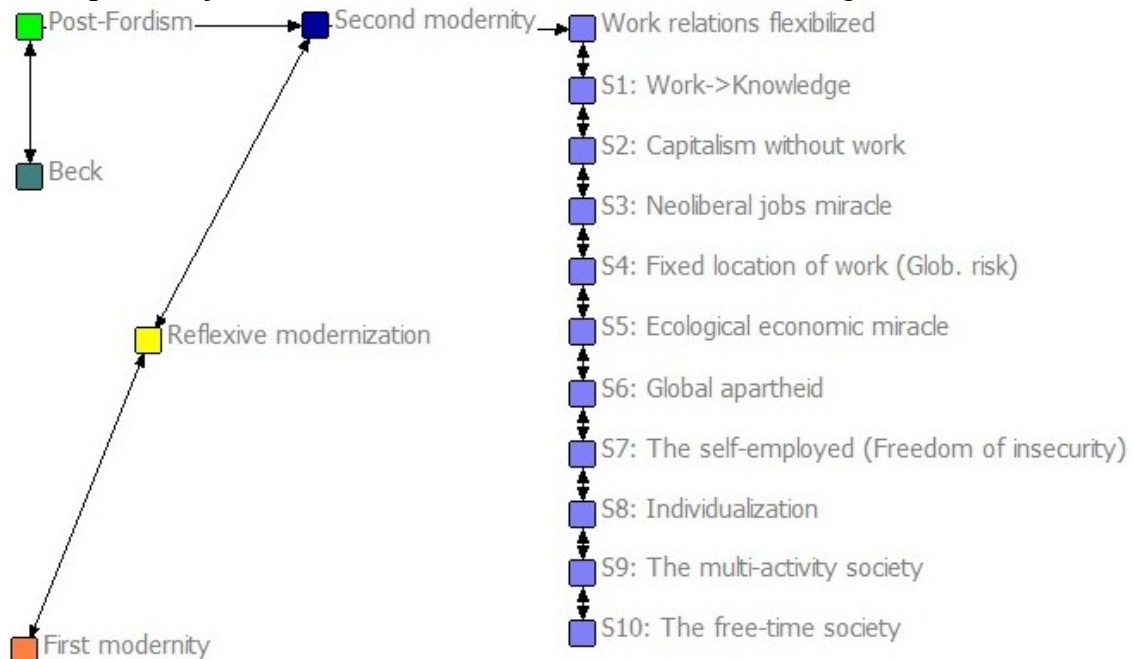
- Scenario number 6 (Collapse): *Global apartheid* – ”The social scientist and ecologist Vandana Shiva speaks of a growing worldwide split between rich and poor, which is tantamount to ’global apartheid’. The key distinctions she draws is between those who participate in the global economy and those whose basic conditions for life have been destroyed” (Beck, 2000, *The Brave New World of Work*, pp. 50, 51). **[Theoretical statement number 10]**.

D. *Individualization*:

- Scenario number 7 (Hope): *The self-employed the freedom of insecurity* – ”One of the most striking feature of the second modernity is the paradoxically collective wish to live ’a life one’ own’...The result is a new space for action and decision, which is in principle double-edged. On the one hand, there is new freedom to shape and coordinate one’s own work and one’s own life; but on the other hand, new trapdoors can lead to exclusion, and the risks are shifted from the state and the economy on the shoulders of individuals. Both aspects are based on the new precariousness of work; the opportunities come with risk attached” (Beck, 2000, *The Brave New World of Work*, pp. 53, 54). **[Theoretical statement number 11]**.
- Scenario number 8 (Collapse): *Individualization of work-disintegration of society* – ”The new potential of information technology – and we are certainly only at the beginning of an ongoing revolution – plays an important role by making possible both the decentralization of work tasks and their real-time coordination in interactive networks, whether across continents or across corridors...When the individualization of life and the individualization of work coincide and reinforce each other, society is in danger of falling apart. Under the conditions of network society, capital is globally coordinated, labour is individualized” (Beck, 2000, *The Brave New World of Work*, pp. 55, 56). **[Theoretical statement number 12]**.

- Scenario number 9: *The multi-activity society* – *A new feature of work will be* "a multi-employment contract assumes that, today and in the future, the economically active population is entitled to a 'freely chosen time-framework. It allows companies greater flexibility in their use of labour, but it also gives employees a new kind of time-autonomy and a new relationship to paid labour, because it recognizes and secures fields of activity outside work and affirms the cultural value of shaping one's own life. In this way the job society might really be replaced by a society of multiple activities and multiple active people" (Beck, 2000, *The Brave New World of Work*, pp. 59, 60). **[Theoretical statement number 13]**.
- Scenario number 10: *The free-time society* – "People evicted from the labour process will be increasingly degraded by the culture industries into entertainment patients totally in need of care...The leisure society which appears alongside the work society should no longer just be a matter of stopgap occupational therapy, but should rediscover and develop the art of squandering time and the cultivation of indirect" (Beck, 2000, *The Brave New World of Work*, pp. 61, 62). **[Theoretical statement number 14]**.

2. The *picture of Post-Fordism* in Beck's view, after summarizing data:



## **II) THE METHODOLOGICAL DESIGN OF THE STUDY**

**II. A) *Research theme*** – The impact of new forms of social organization of work on Policies and Practices of Human Resources Management.

**II. B) *Research subject*** – Policies and Practices of Human Resources Management in different fields and sectors of activity.

**II.C) *Research questions*:**

- ❖ What are the main effects generated by the new forms of social organization of work, on the Policies and Practices of Human Resource Management?
- ❖ What are the features of management styles in a time when the work relations are ‘deregulated’ and ‘flexibilized’?
- ❖ In the process of transition from the work society, to the risk society, what kind of incentives are used to motivate employees?

**II.D) *Research objectives* are:**

- (1) to identify the characteristics of the Romanian policies and practices of human resources management;
- (2) to achieve a comparative analysis between management models adopted in public institutions, multinational corporations and private for profit organizations;
- (3) to identify the impact of international social and economic dynamics on the Romanian labour market, in order to extend the analysis over other countries.

**II. E) *Research hypothesis*:**

***Hypothesis 1:*** If the field of activity of each manager will have different characteristics (organizational/institutional), then the incentives used to motivate employees will be different.

**Hypothesis 2:** If in the risk society the work relations are ‘deregulated’ and ‘flexibilized’, then the Policies and Practices of Human Resource Management will be ‘deregulated’ and ‘flexibilized’.

**Hypothesis 3:** The more knowledge will be an economic resource in the second modernity, the more managers will be interested to recruit competitive employees on the labor market.

### III) DATA ANALYSIS: First level - Identifying the characteristics of Romanian Policies and Practices of Human Resources Management

#### III) A. General characteristics of the: Multinational Company, Public Institution, Private For-Profit Organization

**Multinational Company:** *The main activity of our company is trade, and we focus mainly for ladies beauty. We have our name under the umbrella of some 30 brands. So, do not have a target group because each brand addresses to a certain category of people. I have a target group, we ...women, men, children. Each brand has a certain target. So it depends on customers. We have luxury products, addressing those who have high incomes, it is not easy to launch on the market an expensive product...Although, we have a very different palette of products.*

Figure III) A. (a)

In what concerns the general characteristics of the *multinational company*, we observed that: the company’s main activity is trade; it is a company that covers 30 brands; each brand has specific targets; and the company brings on the market ”a very different palette of products”.

**Public Institution:** *We fund scientific research. Basically what we do...we support scientific research.. I think that our mission is the need to attract funds, both national and international, support the research development . We have a research program dedicated to human resources. Our target group is represented by , researchers, students.*

Figure III) A. (b)

In what concerns the general characteristics of the *public institution*, we observed that the:: institution’s domain of activity is research funding; the institution’s mission is ”to attract funds, both national and international”, in order to ”support the research development”.

**Private For-Profit Organization:** *We work in the marketing machinery and equipment used in the pharmaceutical industry, food and chemical industry. We basically contributed to the development of this concept on the Romanian market. For us, it was very challenging to invest in equipment that gives quite significant amounts of water quality, even wanted to take quality equipment. Therefore, at first they were our target group, subsequently diversified, but mostly our customers come with the pharmaceutical industry, chemical industry and food, well...not necessarily in that order.*

Figure III) A. (c)

In what concerns the general characteristics of the *private for-profit organization*, we observed that the: the organization’s domain of activity is ”marketing machinery and equipment used in the pharmaceutical industry, food and chemical industry”.

### III) B. Policies and Practices of Human Resources Management in the: Multinational Company, Public Institution, Private For-Profit Organization

#### III) B. 1. *Recruitment and Selection Process of the Employees*

**Multinational company:** *In terms of recruitment and selection process, there is a basic step, which will be an interview with the recruiter, after that an interview with the Department Manager and, if the person goes and takes a function, and also if it is a key post within the framework of the company, will be another interview with General Manager and Director of Division. Recruitment and selection process, depends on the level of the company for the person applying to...middle management, entry level or top management. Basically it starts with an entry level, being able to grow within the company.*

Figure III) B. 1. (a)

In what concerns policies and practices used for ***recruitment and selection process of the employees***, in the case of **the multinational company** we observed that: the process consists in three distinct stages, as follows: an interview with the specialized recruiter, an interview with Department Manager and an interview with General Manager and Director of Division.

**Public institution:** *We must follow the legal procedure. The recruitment procedure is an intern one, we do not outsource, because we can not substantiate the expense. The procedure consists in a written test and an interview, but the most important is the written test. Of course that we use in recruitment and selection of employee, the interview with the candidate...actually it is the first contest test. Successful candidates, after such proof, will proceed into the next phase, theoretical one, written test. After public announce, shall be made conditions to be met by the candidate, topics, job description. Competition results are published in five days by posting the result on the door of the institution, or by mail or letters to the candidates. Are admitted only candidates who scored over 7. We prefer to work with professionals. Generally, the candidates are coming from higher educational institutions, research centers... They come and apply to us, participate in the exam, depending on the outcome of the work, they are admitted or rejected. Vacant positions are publicly announced and everyone can join the contest. The candidate is required to submit a resume, documents attesting his experience and then, based on analysis of documents, it will be established the final result. If the candidate is recommended OK, then he has the same rights as he has the one without a recommendation.*

Figure III) B. 1. (b)

In what concerns policies and practices used for ***recruitment and selection process of the employees***, in case of **the public instituion** we observed that the process consists in the following stages: “vacant positions are publicly announced; the candidate must hold a portfolio consisting in: submitting a resume, documents attesting his experience; the first contest test is an interview and, after that, the second contest test is theoretical test - the most important”.

**Private for-profit organization:** *The main sources of recruitment of employees are the announcements on specialized websites. Over time, we worked with people whose skills we already knew (former colleagues, whom I engaged in our company). In terms of how the selection of employees, we generally prefer candidates with diploma of higher education, technical education they have to understand the facilities that we offer to our customers. They must know the equipment and how they work, their maintenance and administration for the previous, they must also have skills in computer knowledge of certain programs to be developed for financial service, and they also should have minimal concepts of foreign languages, preferably English.*

Figure III) B. 1. (c)

In what concerns policies and practices used for **recruitment and selection process of the employees**, in case of **the private for-profit organization** we observed that: there are used announcements on specialized websites, also they use the recruitment of “people whose skills we already knew, such as former colleagues”. The required conditions are: diploma of higher education - preferable technical education, skills in computer knowledge, minimal concepts of foreign languages.

### III) B. 2. Strategies to Motivate Employees

**Multinational company:** *I can say, that motivation strategies encourage very much people development ... To give you an example, we are currently at least 50-60% of managers are promoted within the company. People are hired here, trained, developed, at this moment, one of them are managers. What is interesting, is that our company's policy encourage both horizontal development and vertical development, and here I refer to that exchange between the two levels (horizontal development and vertical development). If I was employed in Human Resource Department, it doesn't mean that I die in this Department. If I ever have the need or see that you are good to do marketing, this doesn't mean that the company can't give me another development opportunity...Of course that also includes financial incentives, but we consider more important the skill development. We help people to grow, we focus heavily on internal promotion of employees. At this point, key positions are covered by our people, who were raised by us. What I wanted to tell you ... for example, someone started to work here as Assistant Division and now is Brand Manager, which in our company is a key job. It is one of the best rated positions in our company.*

Figure III) B. 2. (a)

Regarding the **methods used to motivate employees**, we observed that **in the multinational company** are used the following strategies: internal promotion “our company encourage both horizontal development and vertical development, and here I refer to that exchange between the two levels”; financial incentives; skill development; but “we focus heavily on internal promotion of employees...key positions are covered by our people”.

**Public institution:** *Financial incentives are very important, as motivator factor and it prevails over all, I think. Here is a favorable working environment, you are coming with pleasure at work. Our institution is strongly connected internationally and is always a possibility to work in different programs, and mobility is that you can go abroad. Besides the simple fact that people really works only with trainers, academics, etc.*

Figure III) B. 2. (b)

Regarding the **methods used to motivate employees**, we observed that **in the public institution** are used the following strategies: “financial incentives, a favourable working environment you are coming with pleasure at work, a strongly connection with the international environment the possibility to work in different programmes...you can go abroad, working only with trainers, academics”.

**Private for-profit organization:** *In our company, we used different methods of loyalty and professionalization of employees. Beyond the financial incentives, employees from Technical Department participated in various trainings and courses, in order to prepare them in terms of specific knowledge on water quality. Head of Service received a training period from our supplier in Germany, to see the production line equipment, problems may occur, training in order to more timely interventions. We also paid foreign languages courses for employees that haven't sufficient language skills. They attended to the foreign languages courses, paid by the company for deepening these foreign language skills.*

Figure III) B. 2. (c)

Regarding the **methods used to motivate employees**, we observed that **in the private for-profit organization** are used the following strategies: financial incentives, different methods of loyalty and professionalization of employees “various training courses...we paid for employees foreign languages courses”.

### III) B. 3. Main Benefits of Employees in Manager’s vision

**Multinational company:** *In addition to the material's entry level ... students we hire, I can ... especially on the marketing and commercial, can make their careers. Here, all trainees who came left with a substantial package of knowledge. Company is indeed a good career starting point.*

Figure III) B. 3. (a)

In the case of the multinational company, the highlighted benefits of employees are: “a good career starting point, a substantial package of knowledge”.

**Public institution:** *There are many benefits. Financially speaking, we have a pretty good salary package. Our institution is strongly connected nationally and internationally and is always the opportunity to work in different projects and programs. We have very good training, we have training programmes...they have access to infrastructure, where we very well, communicate.*

Figure III) B. 3. (b)

In the case of the public institution, the highlighted benefits of employees are: “a pretty good salary package, a strongly connection with national and international environment, the opportunity to work in different projects and programmes, training programs”.

**Private for-profit organization:** *Financial benefits, depending on the position that he holds ... car service and other facilities in this class. Training programs and training to foreign suppliers, the interactive activity, based on finding new solutions.*

Figure III) B. 3. (b)

In the case of the private for-profit organization, the highlighted benefits of employees are: “financial benefits, car service, training programs, interactive activity”.

### III) DATA ANALYSIS: Second level - Achieving a comparative analysis between management models adopted in the observed cases

#### **First case: Characteristics of the Human Resources Management adopted in the Multinational Company**

The company’s main activity is trade. This company brings on the market “a very different palette of products” that covers 30 brands and each brand has specific targets.

Regarding recruitment and selection process of the employees, the process consists in three distinct stages, as follows: an interview with the specialized recruiter, an interview with Department Manager and an interview with General Manager and Director of Division.

In what concerns employees motivation, are used the following strategies: internal promotion “our company encourage both horizontal development and vertical development, and here I refer to that exchange between the two levels”; financial incentives; skill development; but “we focus heavily on internal promotion of employees...key positions are covered by our people”.

In the case of the multinational company, the highlighted benefits of the employees in manager’s vision are: a good career starting point, a substantial package of knowledge.

### ***Second case: Characteristics of the Human Resources Management adopted in the Public Institution***

The institution’s domain of activity is research funding. The institution’s mission is “to attract funds, both national and international”, in order to “support the research development”.

Regarding recruitment and selection process of the employees, the process consists in the following stages: “vacant positions are publicly announced; the candidate must hold a portfolio consisting in: submitting a resume, documents attesting his experience; the first contest test is an interview and, after that, the second contest test is theoretical test - the most important”.

In what concerns employees motivation, are used the following strategies: “financial incentives, a favourable working environment you are coming with pleasure at work, a strongly connection with the international environment the possibility to work in different programmes...you can go abroad, working only with trainers, academics”.

In the case of the public institution, the highlighted benefits of the employees in manager’s vision are: “a pretty good salary package, a strongly connection with national and international environment, the opportunity to work in different projects and programmes, training programs”.

### ***Third case: Characteristics of the Human Resources Management adopted in the Private For Profit Organization***

The organization's domain of activity is "marketing machinery and equipment used in the pharmaceutical industry, food and chemical industry".

Regarding recruitment and selection process of the employees, the process consists in the following stages: announcements on specialized websites, also they use the recruitment of "people whose skills we already knew, such as former colleagues". The required conditions are: diploma of higher education - preferable technical education, skills in computer knowledge, minimal concepts of foreign languages.

In what concerns employees motivation, are used the following strategies: financial incentives, different methods of loyalty and professionalization of employees, such as: "various training courses...we paid for employees foreign languages courses".

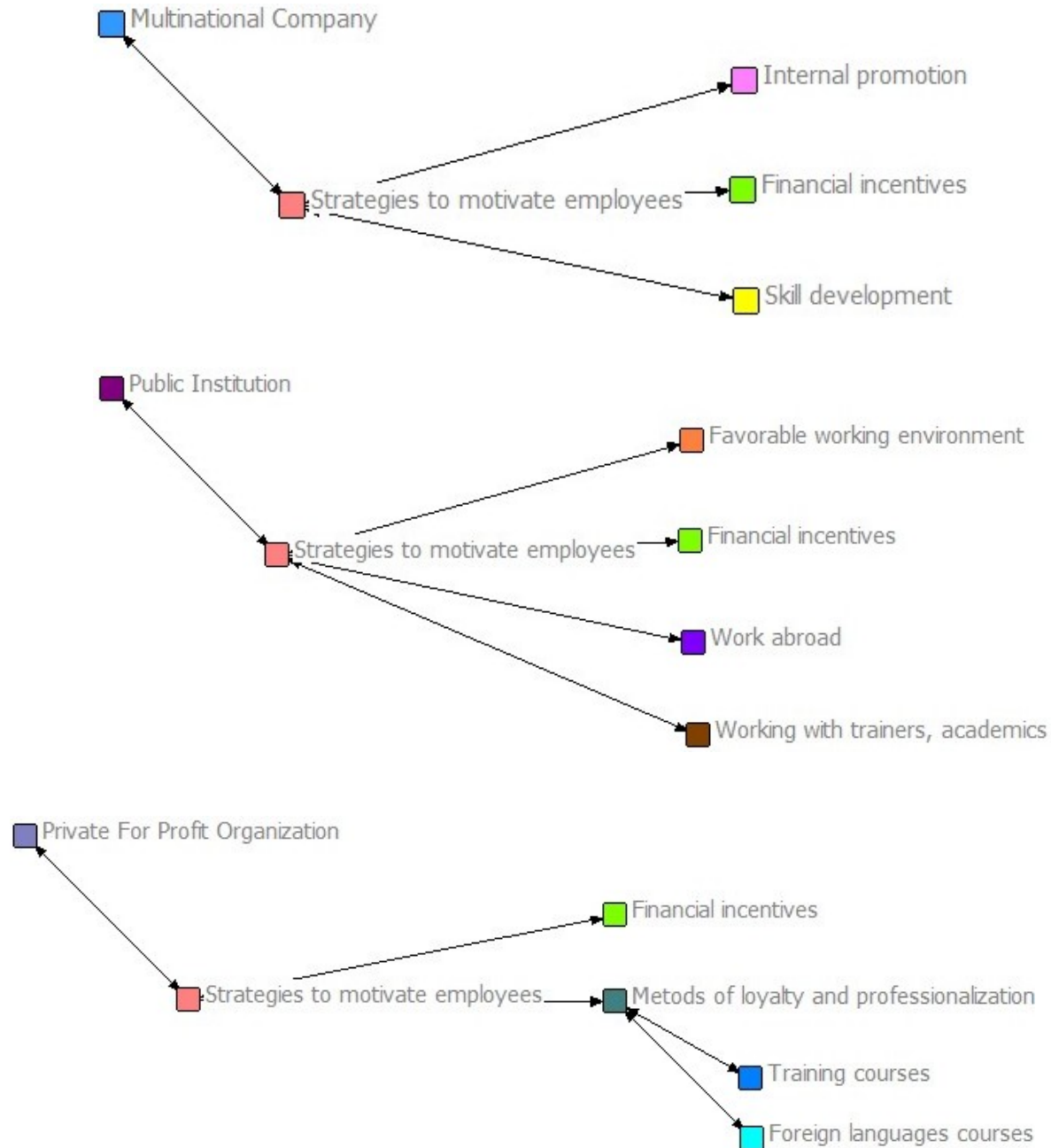
In the case of the private for profit organization, the highlighted benefits of the employees in manager's vision are: "financial benefits, car service, training programs, interactive activity".

#### **Resulted conclusions from comparative analysis:**

- a.** As I said in the introductory part, the cases investigated in this study are selected from different fields and sectors of activity. Therefore, the organizational/institutional specificities are those that shapes policies and practices of Human Resource Management.
- b.** Regarding recruitment and selection process of the employees, in the cases investigated in this study, we may conclude that the strategies used are in accordance with the employee profile that each organization/institution needs, in order to meet certain proposed objectives. In this sense:
  - in the multinational company it is used a strategy of recruitment and selection of employees that consists in three distinct stages;
  - in the public institution it is used a a strategy of recruitment and selection of employees that consists in two major exams and in several stages of evaluation of candidate's portfolio for the open position;

- in the private for profit organization it is used a a strategy of recruitment and selection of employees that consists in: (a) announcements on specialized websites, and there are certain conditions required and also (b) the social capital networks, they recruit “people whose skills we already knew, such as former colleagues”.

c. In what concerns strategies used to motivate employees:

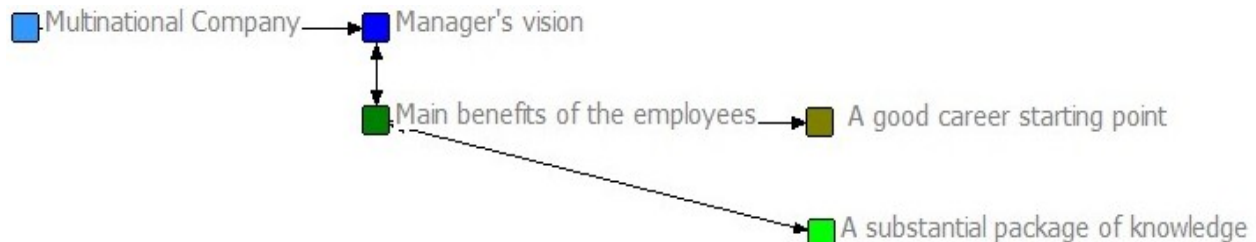


d. As we can see above in the conceptual graphs, in what concerns employees motivation in the in the cases investigated in this study, we may conclude that there are used different strategies, excepting one motivational factor – financial incentives. It seems that in the work society of

Post-Fordism, money are a very important feature of the employee motivation process in all the observed cases.

e. Regarding the highlighted benefits of the employees in manager's vision, we may conclude that:

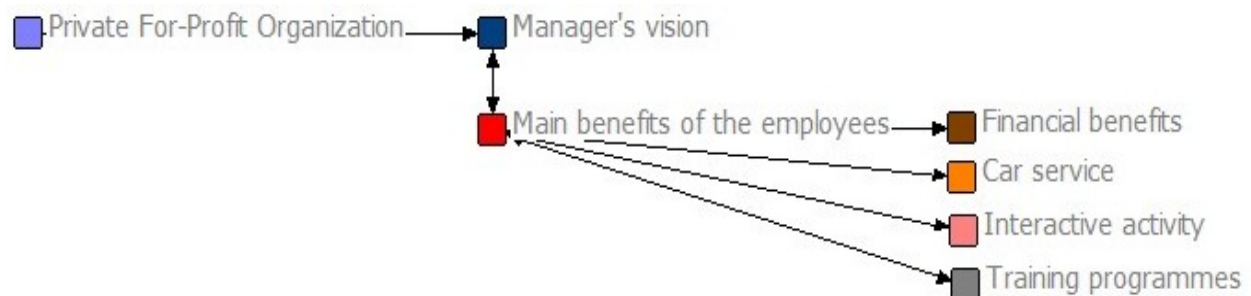
- in the multinational company, the benefits are: "a good career starting point, a substantial package of knowledge";



- in the public institutions, the benefits coincide with the motivating factors mentioned above ("s preety good salary package, training programmes");



- in the private for profit organization, some of the benefits coincide with the motivating factors mentioned above ("financial benefits, training programs"), excepting the new benefits mentioned "car service, interactive activity".



**III) DATA ANALYSIS: Third level - Testing research hypothesis or "Identifying the impact of new forms of social organization of work on Policies and Practices of Human Resources Management"**

As we have seen, after data analysis from the pre-test stage of the study, research hypotheses were:

**The first research hypothesis:** *<If the field of activity of each manager will have different characteristics (organizational/institutional), then the incentives used to motivate employees will be different>* **was confirmed** in pre-test phase of the study, excepting one motivational factor, used in all the investigated cases - *financial incentives*.

**The second research hypothesis:** *<If in the risk society the work relations are 'deregulated' and 'flexibilized', then the Policies and Practices of Human Resource Management will be 'deregulated' and 'flexibilized'>* **was infirmed** in pre-test phase of the study, because in the investigated cases, the policies and practices of human resources management are part of a coherent set of organizational/institutional strategies, the only difference being that these policies are shaped by the characteristics of each sector and each field of activity.

**The third research hypothesis:** *<The more knowledge will be an economic resource in the second modernity, the more managers will be interested to recruit competitive employees on the labor market>* **was confirmed** in pre-test phase of the study, because in the investigated cases, knowledge represents a valued resource by all the managers interviewed, the only difference is how the concept of knowledge is operationalized. As we observed in the investigated cases, the concept of knowledge is operationalized as follows:

- First observed case – in the multinational company, the required conditions for an future employee “depends on the level of the company, for the person applying to...middle management, entry level or top management. Basically it starts with an entry level, being able to grow within the company”, but the manager’s vision concerning the main benefits of working in his company, is that an future employee will achieve “a substantial package of knowledge” during the work activity.
- Second observed case – in the public institution, the required conditions for an future employee “we prefer to work with professionals...generally, the candidates are coming from educational institutions, research centers”.
- Third observed case – in the private for profit organization, the required conditions for an future employee are “Diploma of Higher Education-preferable technical education, skills in computer knowledge, minimal concepts of foreign languages”.

#### IV) CONCLUDING REMARKS RESULTING FROM PRE-TEST PHASE DATA

1. The cases investigated in this study were selected from different fields and sectors of activity. Therefore, in the observed cases, the Policies and Practices of Human Resources Management are anchored in organizational/institutional specificities.

2. In the process of transition from the work society to the risk society/second modernity/knowledge society, the features of the investigated management styles are the following:

a) Regarding recruitment and selection process of the employees, we may conclude that the strategies used are in accordance with the employee profile that each organization/institution needs, in order to meet certain organizational/institutional proposed objectives.

b) In what concerns the kind of incentives used to motivate employees, there are used different strategies, excepting one motivational factor – financial incentives. Thus, it seems that in the work society of Post-Fordism, money are a very important feature of the employee motivation process in all the observed cases. Other types of incentives used to motivate employees (*internal promotion, skill development, favourable working environment, work abroad, methods of loyalty and professionalization*, etc.) are in accordance with organizational / institutional management strategy.

c) Regarding the benefits of the employees in manager's vision, we may conclude that these are in accordance with the organizational/institutional vision of development. The highlighted benefits are: a good career starting point, a substantial package of knowledge, a pretty good salary package, training programmes, financial benefits, training programs, car service, interactive activity.

3. If we refer to the main purpose of this study – *the impact of new forms of social organization of work on policies and practices of human resources management*, the effects generated are:

a) The policies and practices of human resources management aren't '*deregulated*' and '*flexibilized*' as I supposed in the establishing research hypothesis stage, more, we may conclude that these are part of a coherent set of organizational/institutional strategies, the only difference being that these policies are shaped by the characteristics of each sector and each field of activity.

b) The major impact of the transition from the work society to the knowledge society on Policies and Practices of Human Resources Management, is that knowledge represents a valued resource

by all the managers interviewed in the pre-test stage of this study. The only difference between observed cases is the way in which the concept of knowledge is operationalized. This finding leads to the following implications:

- In contemporary society dominated by the new model of structuring the work activity, the major challenge will be to find employees with significant knowledge resources, in order to meet the growing competition in the global labour market for recruiting the best employees.
- Therefore, the employee profile of Post-Fordism is modeled in accordance with high standards of knowledge.
- 

## **V) FUTURE RESEARCH OBJECTIVES**

- ❖ To extent the analysis over other countries, in order to achieve a comparative analysis.
- ❖ To review the interview guide.
- ❖ To expand the research, in order to realize in-depth interviews also with employees. The aim is to achieve a comparative approach between managers' perceptions and perception of employees, regarding policies of human resources management.

## **Acknowledgment**

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# **Influence of Socio-Demographic Characteristics to Perceptions, Assessments and Aspirations of Ivet Pupils in Latvia**

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## **Abstract:**

The ongoing project “Detailed Methodological Approach to understanding the VET educational system in 7 European countries (7EU-VET)” tries to improve understanding of what particular factors influence on VET system attractiveness and success. The project tries to answer to questions what's new in human perception of VET systems and how they see the future job opportunities, career development and mobility; how effective and successful are advising and informing systems? For these reasons the project implemented empirical study among VET schools’ pupil which results are intended for decision makers, experts and VET managers. Results derived from research made in Latvian institutions of initial VET are presented.

**Keywords:** vocational education and training, Lifelong Learning Programme, survey, socio-demographic characteristics, drivers, influencing factors

## 1. SHORT DESCRIPTION OF THE PROJECT

Developing the attractiveness of vocational education and the quality of vocational education and training (VET) system is one of the goals of Lisbon strategy. The ongoing project “Detailed Methodological Approach to understanding the VET educational system in 7 European countries (7EU-VET)”, implemented with the support of the Lifelong Learning Programme (Transversal KA-1) of the European Union, tries to improve understanding of what particular factors influence on VET system attractiveness and success.

The 7EU-VET project builds upon common European strategies, frameworks and tools that have been developed and supports them with the research action among seven European countries – Slovenia, Austria, Germany, Greece, Latvia, Lithuania and UK (7EU-VET, 2010a).

General project goals (7EU-VET, 2010b) are to understand:

- How family, gender, friends, place of living etc. determine VET population in 7 EU countries?
- What are differences and similarities in learning and teaching modes, and general practical orientation among countries and VET systems?
- In particular how to best complement workplace and classroom learning, and what are organizational aspects of this duality? What are the main characteristics of the VET programmes in relation to labour market?
- What are drivers for enrolment into VET programs and permeability to further education?
- Which are VET students’ career aspirations? How are they related to levels of education and sectors?
- What are VET student variations in terms of learning outcomes (competencies) and how are they determined?
- What impacts VET student educational and vocational satisfaction? How are their individual goals in line to those at the system level?
- How operate systems of advising and career orientation?

One of the instruments envisaged to find an answer to mentioned above questions is large scale survey in each participating country among 17/18 year IVET population resulting in international data base of approximately 15000 VET students (7EU-VET, 2010c). Research results are intended for decision makers, experts, and VET managers. Presented paper contains results derived from research made in Latvian IVET institutions. Preliminary results of survey in

Latvia presented in (Lavendels, 2012a) and (Lavendels, 2012b) are elaborated further in this paper.

## **2. SAMPLING AND QUESTIONNAIRE**

To be statistically valuable the sample size calculations required that all IVET schools existing at the moment in Latvia had to be included in the survey. To correct for the different chances for students to participate in the survey resulting from the differences in the number of students in the institutions multiple classes were sampled in larger schools. Hence, the number of classes selected varied according to the size of the school. The target group of survey is 17-18 years old pupil.

Selection of classes participating in the survey was made on the base of school size. If there were more than 2 classes with pupils' age 17/18 in school that is smaller than 600 pupils, then 2 classes were selected occasionally. If there were just 2 or 1 such class then all of them participated in survey. If there were more than 4 classes with pupils age 17/18 in school over 600 pupils then 4 classes were selected. If there are just 4 or less such classes then all of them participated in survey. However if there were in selected classes pupil with other age they also were invited to take part in the survey.

The questionnaire consists of core part, which is the same for all participating countries and nationally-dependent part reflecting particularities of national educational systems. Totally Latvian version of questionnaire consists of 68 questions organized in 7 sections:

- Previous programme and transition to the current programme (6 questions),
- Particularities of current VET programme (11 questions),
- Knowledge gained (10 questions),
- About yourself and your career (12 questions),
- Skills and abilities gained (6 questions),
- ICT (6 questions),
- You and your family (17 questions).

In the questionnaire there were closed, partial open and open-ended questions. Majority of them were closed-type and require from participant only selection of the most appropriate answer from proposed. Essential number of questions was content dependent (specializing) and

these questions were asked to answer only in the case of particular option selection on previous question(s).

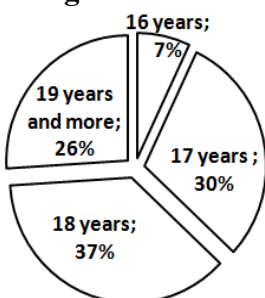
### 3. RESPONSE RATE AND SOME SOCIO-BIOGRAPHIC CHARACTERISTICS

Survey was made in May-June 2011 when 82 IVET schools were invited to participate in the survey from which 179 classes have to participate according to sampling described in section 2.

Really in survey participated 72 schools (88% of invited), 169 classes (94% of supposed), 3038 pupils (80% of supposed). In participating classes 3775 pupils are registered, 3105 of them (82%) were presented during survey. 67 pupils from presented (2%) decline to fill questionnaire, so 3038 filled questionnaires were collected and handled. A distribution of ages of participants is shown in

**Figure 1.** After filtering for 17-18 year old pupils and including only questionnaires where more than 50 percent of the questions were answered 1888 questionnaires were considered. All data following in the paper are based only on information derived from these 1888 questionnaires.

**Figure 1. Distributions of ages of participants**



Pupils enrolled to approximately 200 VET programs were presented in the survey, from them (Table 1) percentage of boys and girls approximately corresponds to ratio of population enrolled to IVET in Latvia at all (60% of boys and 40% of girls). Majority of respondents (83%) are enrolled into programmes combining both vocational and secondary education giving ability for further education in high schools or universities, from them industry-oriented programmes (in

further tables just “industry”) and service-oriented programmes (in further tables just “service”) were presented almost equally. Different places of pupils’ living are presented in the survey also almost equally – by about one third of IVET students live in big cities or their suburbs (in further tables just “cities”), in towns or small villages (in further tables just “towns”) and in country villages or farms (in further tables just “farms”).

**Table 1. Brief summary of participants’ socio-biographic characteristic (%).**

Female	Male	Service-related	Industry-related	big cities or their suburbs	towns or small villages	country villages or farms	Living on family’s present income			
							comfortably	Could cope	difficult	Very difficult
46	54	51	49	37	31	32	31	45	19	5

Quite important characteristic influencing majority of considered issues was pupil’s satisfaction on living conditions - whether that they are living comfortably on present family’s income or just could cope on present family’s income or found it difficult or found it very difficult.

#### **4. SOME OBSERVATIONS**

As a convention in this paper, every time it is mentioned that characteristics are different from each other, it is always a statistically significant difference (chi-square tests less than 0,05). Due to the relatively large size of the Latvian sample only substantive differences of 5 percent points or above are described in this paper.

The following issues are considered: a) transition to VET; b) level of satisfaction of programme and school; c) characteristics of study behaviour and acquired knowledge; d) future career aspirations and self-assessment; e) acquired skills and abilities. These issues are considered taking in mind such characteristics of pupil as gender, programme enrolled, current grades, pupils’ and their parents’ country of origin, pupils’ place of living and family’s present income. Analyze was made in intention to find what are the strongest and what are the weakest factors influencing on decision making, present attitude, future plans etc. Majority of questions

analyzed propose to rank given expression using a scale from 1="Not at all" to 5="Very". In the text below we consider aspects ranked by "1" and "2" as weakest, by-turn ranked by "4" and "5" as strongest.

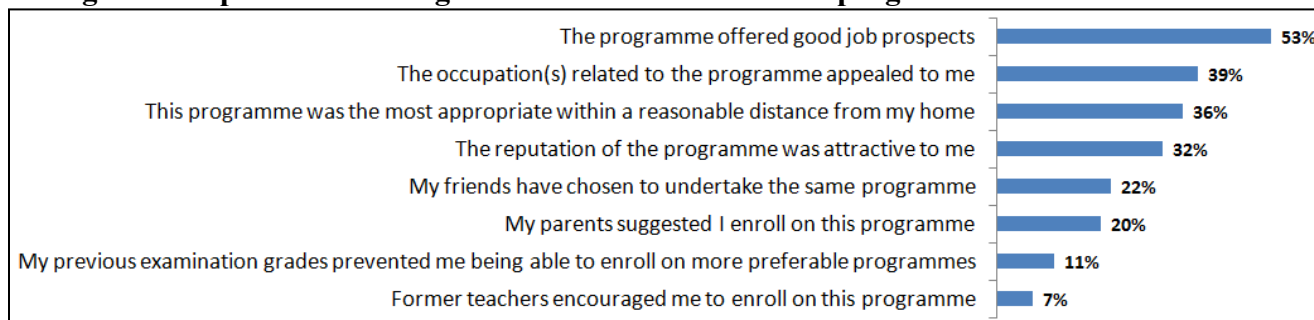
#### 4.1. Transition to VET

The decision on a programme and the affiliated occupation depends on motivational factors like intrinsic or extrinsic motives. For this reason we asked the pupils which aspects influenced the decision for a certain programme and what were the main reasons for choosing the programme?

##### 4.1.1. Aspects influenced the decision for a certain programme

Figure 2 shows percentage of respondents considering particular aspect as influencing their decision very or quite.

**Figure 2. Aspects influencing the decision for the current programme**



The examination of certain socio-demographic characteristics shows that parents' suggestion is more important for girls than for boys (Table 2). The same is for the reputation of programme (Table 3).

**Table 2. Pupils stated that parents suggested enrol to the programme (%).**

		grades			parents born				
		good	merit	fair	both in Latvia	one in Latvia	both in other EU country	both in non-EU country	
female	male								
23	18	13	19	24	18	26	29	21	

**Table 3. Pupils mentioning reputation of programme and distance from home (%).**

The reputation of the programme was attractive to me					This programme was the most appropriate within a reasonable distance from my home		
female	male	good grades	merit grades	fair grades	cities	towns	farms
34	29	48	32	25	32	40	38

With lower grades pupils more often stated that previous examination grades prevented them being able to enrol on more preferable programmes (Table 4).

**Table 4. Pupils mentioning job prospects and previous grades (%).**

The programme offered good job prospects							My previous examination grades prevented me being able to enrol on more preferable programmes		
grades			living on family's present income				grades		
good	merit	fair	comfortably	coping	difficult	very difficult	good	merit	fair
55	56	46	54	56	45	54	6	10	17

Parents' suggestions were more important to pupils with lower grades (Table 2). However, regarding to reputation of the programme (Table 3) the picture is reversed. The same tendency (while less expressive) is for the factor that programme offers good job prospects (Table 4) - 46 percent of pupils with fair grades vs. about 56 percent of pupils with merit and good grades.

Friends' advice (Table 5) is more important for pupils born in other than Latvia EU countries rather than born in non-EU countries whereas even less for pupils born in Latvia.

**Table 5. Pupils that mentioned related occupation and friends' suggestions (%)**

The occupation(s) related to the programme appealed to me	My friends have chosen to undertake the same programme
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living on family's present income				born in			parents born				socio-economic status (SES)		
comfortably	coping	difficult	very difficult	Latvia	other EU	non-EU	both in Latvia	one in Latvia	both in other EU country	both in non-EU country	below average	average	above average
43	37	35	43	21	66	42	19	28	38	25	26	18	17

The influence of parents on pupils' decisions (Table 2) is stronger when both parents were born in other than Latvia EU country whereas the weakest dependence on parents is when both of parents were born in Latvia.

The same is related to influencing of friends advice (Table 5) – for 38 percent of pupils whose both parents were born in other than Latvia EU country friends' advice are quite or very important comparing to 19 percent of pupils whose both parents were born in Latvia.

It is predictable that distance from home to school (Table 3) is more important to pupils from towns or small cities and from country villages or farms than for pupils from big cities or their suburbs.

It is hardly expected that for pupils whose families find it difficult to live on present income the aspect that the programme offers good job prospects (Table 4) is less important than for those whose families coping on present income.

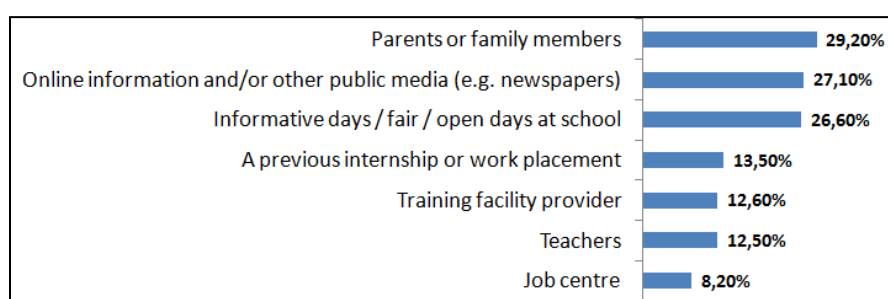
It is also surprising that occupation related to enrolled programme (Table 5) is more important for pupils from families living either comfortably or very difficult than for families from middle layers - coping or filling difficulties living on present incomes.

Including the index of socio-economic status (in further tables just "SES") it shows that the aspect that friends have chosen the same programme (Table 5) is more important to pupils from families with socio-economic backgrounds below average (in further tables just "below") than for average and above average (in further tables just "above").

### 4.1.2. Information sources used

In addition to important aspects we were interested in the information sources pupils use when deciding on a certain programme. To get a better understanding about the sources of information used before entering the VET system we asked the pupils how important different sources were when they were deciding on their current vocational programme. Answers are presented in (Figure 3).

**Figure 3. Information sources influencing the decision for the current programme**



Review of information sources influencing the decision for current programme shows that girls more often define their parents (**Table 6**) as an important source of information than boys.

**Table 6.** Pupils pointed information sources as influencing their decision (%).

Parents or family members		Informative days / fair / open days at school. Online information and/or other public media (e.g. newspapers)							Job centre		
female	male	female	male	grades			service	industry	born in		
				good	merit	fair			Latvia	Other EU	Non-EU
33	26	33	22	36	27	21	30	22	8	39	0

Moreover, sources like informative days, fairs, open days in school as well as online information and other public media, e.g. newspapers are more important for female than for male

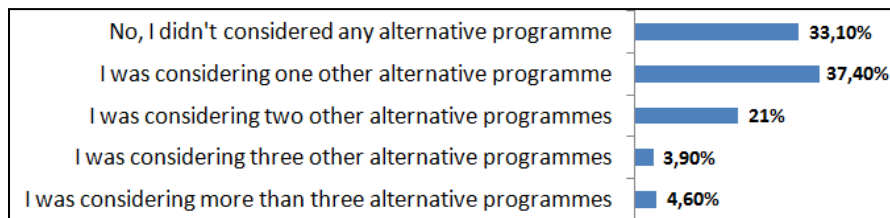
pupils. Regarding the last set of information sources it is necessary to point out that they were more important for pupils enrolled in programmes related to service than for pupils enrolled in programmes related to industry. The better the pupils' grades the more often they have mentioned this source of information as being important for their decision (**Table 6**).

Despite the fact that job centres are a less important source of information in general (**Figure 3**) for pupils born in other than Latvia country it was second most important source of information.

#### 4.1.3. Alternatives

The pupils were also asked whether they considered any alternative programme when they were selecting their current programme (Figure 4).

**Figure 4. Alternation during the decision for the current programme.**



Pupils born in Latvia less often stated that they didn't consider any alternative programme than pupils born in other EU country while more than a half of pupils born in non-EU countries have not considered an alternative programme (Table 7). Also pupils from country villages or farms less often considered any alternatives compared to pupils from any other place of living.

**Table 7. Alternation during the decision for the current programme (%).**

No, I didn't consider any alternative programme	I was considering one other alternative programme
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born in						living on family's present income				living on family's present income			
Latvia	other EU	non-EU				comfortably	coping	difficult	very difficult	comfortably	coping	difficult	very difficult
33	39	53	30	32	38	37	31	34	28	34	41	39	30

Further the income status of the family also affects the process of programme consideration. Between pupils not considering any alternatives most (37 %) represent families living comfortably while pupils who find it very difficult to live on present income just in 28 percent of cases didn't consider something else. At the same time pupils from families except of living comfortably more often consider one additional alternative programme when selected programme to which they are enrolled currently.

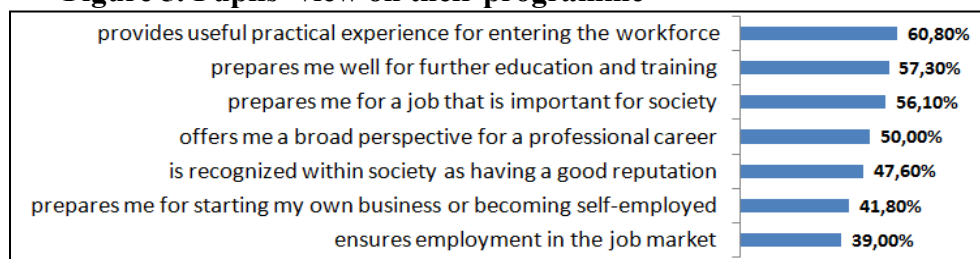
## 4.2. Level of satisfaction of programme and school

Since the pupils gained a reasonable amount of experience within their programme at the time of the survey we were interested in learning more about their view on the programme.

### 4.2.1. Pupils view on their programme

The research objective was to find which factors (Figure 5) the most influence to satisfaction of present programme and school.

**Figure 5. Pupils' view on their programme**



It is quite unexpected that more than half of the pupils (56 %) believe that their programme prepares them for a job that is important for society.

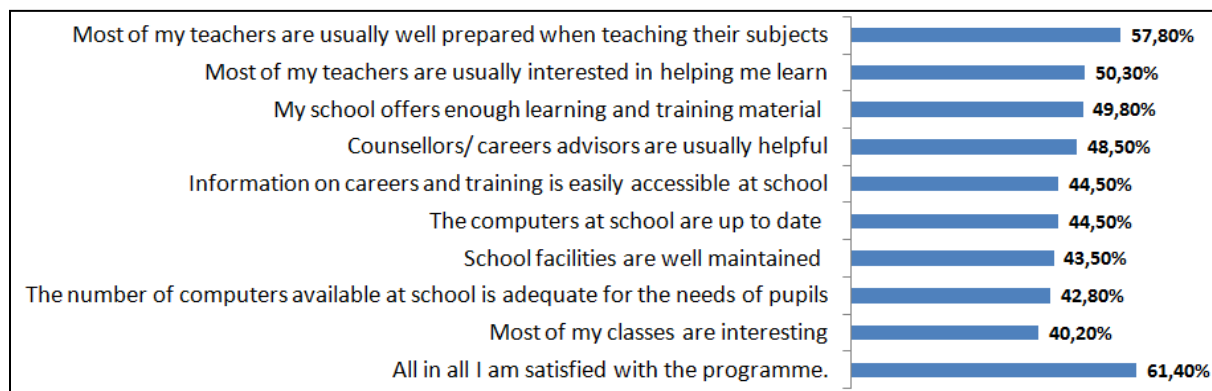
Female pupils' evaluations of enrolled programme are sufficiently higher than male pupils' (differences from 5 to 9 percents) in almost all proposed for consideration aspects except of employment in the job market where their visions coincide. Pupils from service sector appreciate their programme more than from industry sector absolutely by all aspects (differences from 7 till 9 percents).

The level of agreement that programme ensures employment in the job market is dependent also on socio-economic background - the lower the value of SES index the lower the evaluation of this aspect (49 percent in families above average level, 40 percent in families with average level and 36 percent in families with socio-economic level below the average).

#### **4.2.2. Satisfaction of school, facilities, teachers and programme in general**

Pupils were also asked how satisfied they are with their school facilities, teachers, computer equipment and with their programme in general (Figure 6).

**Figure 6. Pupils' satisfaction with school**



Satisfaction with the programme (Table 8)) is higher for female pupils and for pupils in service-oriented programmes rather than for industry-oriented.

Nearly 40 percent state that most of the attended classes are interesting; meanwhile female pupils agree in a greater extent than male. Pupils with higher grades also agree with it more often than pupils with merit and fair grades.

Further, a higher proportion of pupils who were not born in Latvia evaluate most of their classes as interesting compared to pupils who were born in Latvia and the level of agreement is also higher for those pupils from families with a higher SES than for pupils from families with a lower SES.

**Table 8. Pupils satisfied by their programme and classes. (%).**

Satisfaction with the programme				Attended classes are interesting								
female	male	service	industry	female	male	grades			born in Latvia		SES	
						good	merit	fair	yes	no	higher	lower
67	57	65	58	44	37	53	42	32	39	49	43	34

More than half of the pupils (58 %) agree with the statement that most of their teachers are usually well prepared when teaching their subjects. Results in Table 9 show that female pupils agree to a greater extent to this statement than male pupils as well as pupils living in country villages or farms compared to pupils from towns or small cities and big cities or their suburbs. The same applies to socio-economic background – the higher the level the higher the appreciation of teachers' preparedness.

**Table 9. Pupils considering that teachers are well prepared (%).**

female	male	cities	towns	farms	SES		
					below	average	above
62%	55%	53%	59%	62%	54%	59%	66%

Half of the pupils agree that most of their teachers are usually interested in helping them to learn; meanwhile (Table 10) female pupils feel it stronger than male. Further pupils with higher grades more often appreciate teacher's readiness to help. Even more differences become visible when the country of origin of the pupils is taken into account.

**Table 10. Pupils considering that teachers are helping to learn (%).**

female	male	grades			born in			SES			country-side	big cities and their suburb
		good	merit	fair	Latvia	other EU	non-EU	above	average and below			
55	46	60	52	44	50	13	72	60	50		53	47

Majority of pupils born in non-EU countries are satisfied by learning and training material provided by schools while only half of Latvia born pupils whereas pupils born in other than Latvia EU country are satisfied much lesser (Table 11). The perception of this aspect also is influenced by the place of pupil's living. Pupils from the countryside are more satisfied with learning and training materials than pupils from big cities and their suburbs.

It is necessary to stress also that pupils from the countryside agree to a greater extent to the statement that most of their teachers are usually interested in helping them learn (Table 10) comparing with big cities' and their suburbs' pupils as well as pupils from families of good socio-economic background appreciate teachers' readiness more comparing with average and below average SES.

**Table 11. Pupils satisfied by their schools learning materials and facilities (%).**

Schools offer enough learning and training material							School facilities are well maintained						
country-side	big cities and their suburbs	pupil born in			both parents born in		both parents born in		farms	rest of a country	female	male	
		Latvia	other EU	non-EU	other EU	non-EU countries	Latvia	non-EU countries					
53	45	50	22	73	69	39	42	73	48	42	47	41	

To the perception that schools offer enough learning and training material influence also countries of parents' origins. Pupils from families where both parents were born in other than Latvia EU country agree to a much greater extent to this statement than pupils from families where both parents were born in non-EU countries (Table 11). However with the statement that school facilities are well maintained pupils of Latvia-born parents agree less than pupils of non-EU countries' parents. Differences regarding this perception can also be detected between pupils from country villages and farms comparing of such consideration by pupils from the rest of a country (big cities, their suburbs, towns and small cities). As for almost all of the considered aspects agreement with this statement from female pupils is higher than from male (Table 11).

Female pupils also agree on a higher extend that computers at schools (Table 12) are up to date; however regarding the statement that "The number of computers available at school is adequate for the needs of pupils" both female and male pupils were solid (43 percent of both female and male pupils agree with it). Herewith pupils from families with average and below average socio-economical background agree in lesser extend that number of computers at school and their conditions is enough comparing with families with above-average SES.

**Table 12. Pupils satisfied by computers and information regarding career (%).**

Computers at schools are up to date		Number of computers available at school is adequate for the needs of pupils			Availability of information regarding careers and further training at schools			
female	male	socio-economic background			living on family's present income			
		below	average	above	comfortably	coping	difficult	very difficult
49	40	43	41	53	43	38	38	47

As the main aim of the project is to understand factors influencing pupils' decision regarding educational path it is quite important to evaluate availability of information regarding careers and further training at schools. Overall 45 percent of respondents agree that such information is easily accessible at schools. However it is interesting that pupils from opposite sides of family's income scale (both living comfortably on present income and finding it very difficult) evaluate accessibility of such information higher than from families on middle of a scale.

### 4.3. Characteristics of study behaviour and acquired knowledge

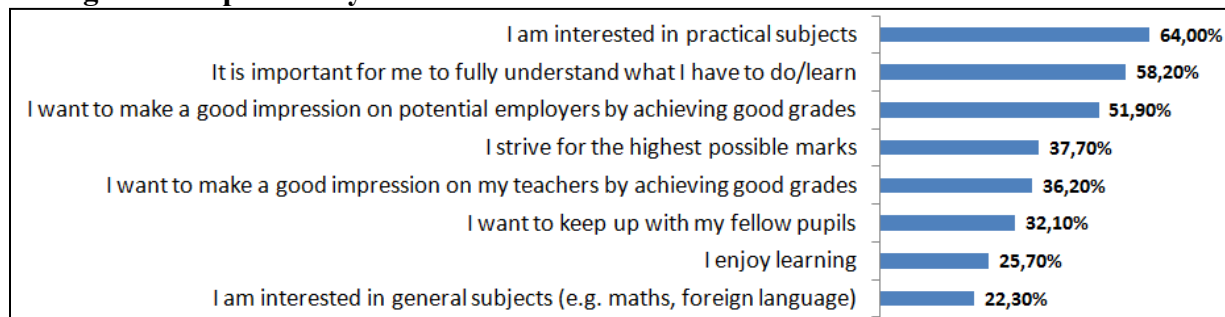
In addition to general attitudes and assessments about the programme and the school facilities we were also interested in an examination of the learning concepts and the study behaviour of the pupils. The research objective was to find which factors the most reflect to progress of pupils learning and skills.

#### 4.3.1. Study behaviour

##### For the most important goals (Figure 7)

Figure 7 there are not big differences between girls' and boys' considerations with the exception of understanding what to do/learn - this goal is slightly more important for female than for male pupils (Table 13).

**Figure 7. Pupils' study behaviour.**



More than each third pupil strives for the highest possible marks and for female pupils it is more important than for male.

**Table 13. Influence of gender and grades to study behaviour (%).**

It is important for me to fully understand what to	I strive for the highest possible marks	I want to keep up	I enjoy learning	I am interested in
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do/learn										with my fellow pupils				general subjects (e.g. maths, foreign language)	
female	male	grades			female	male	grades			female	male	female	male	female	male
		good	merit	fair			good	merit	fair						
65	53	81	61	43	43	33	66	39	21	35	30	31	21	25	20

Almost one third confesses that they want to keep up with their fellow pupils while female pupils state this more often than male.

Despite the fact that female pupils seem to enjoy learning more than male (Table 13) the overall rate of pupils who like to learn is very low (just one of four). Even worse is the situation with general subjects. Also despite the overall picture that female pupils are a bit more interested in general subjects (e.g. maths, foreign language) than male (Table 13) this factor is the least important for VET students – actually a bit more than one of five pupils expresses some interest in general subject.

It shows that pupils with higher grades state a higher motivation for all the listed aspects than pupils with merit grades, e.g. regarding striving for the highest possible marks, importance of understanding what to do/learn and so on.

#### 4.3.2. Practical training

In an additional question the pupils were asked how they rate the proportion of practical training within their current programme (Table 14)

**Table 14. Pupils' rates of the amount of practical training within programme (%).**

Overall (total) rating					Average		Good			
Poo	Fai	Avera	Goo	Excelle	grades	born in	femal	mal	grades	born in

rank	rank	percentage	gender	amount	good	merit	fair	Latvia	other EU	non-EU	excellent	average	good or merit	fair	Latvia	other EU	non-EU
2,8	5,6	26,6	59,1	6,0	20	25	32	26	56	30	64	55	62	55	60	4	38

In Latvia, most of the pupils rate the proportion of practical training as good or average, when good rates came more often from female than male pupils. Meanwhile just 6 percent state the amount as fair and only 3 percent rate the proportion of practical training as poor without big differences in female and male opinions. On the other hand with total coincide of male and female considerations just 6 percent of pupils evaluate the amount of practical training as excellent.

Pupils with good or merit grades more often evaluated amount of practical training as good than pupils with fair grades, whereas percentage of pupils evaluated amount of practical training as average are higher between pupils with fair grades comparing to pupils with merit and good grades.

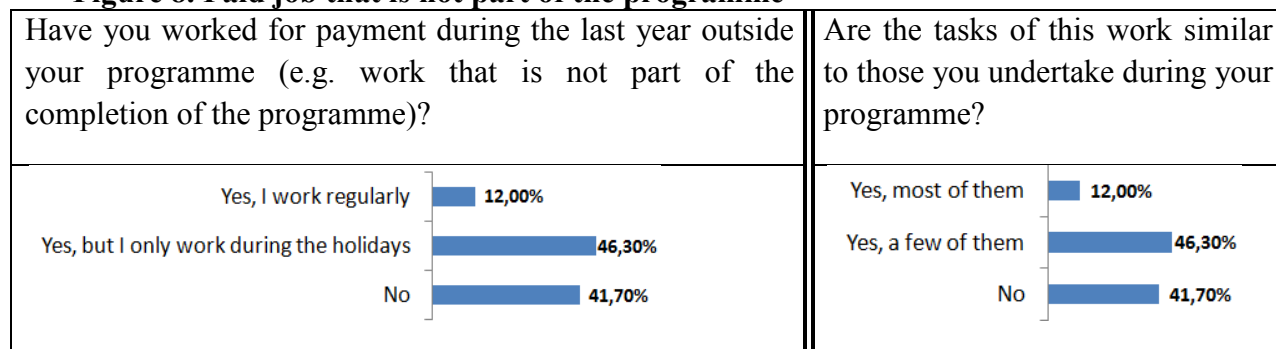
The result shows that the evaluation of the appropriateness of the practical training highly depends on the country of pupils' origin: majority of pupils born in Latvia consider the amount of practical training as good and each fourth as average, whereas more than a half of pupils born in other than Latvia EU country rate it just as average and each forth as fair and only small 4 percent consider it as good. The differences in the percentages of pupils born in non-EU countries rating the amount of practical training as average or good are smaller (30 % and 38 % respectively) whereas percentage of pupils rating such amount as excellent is much higher for pupils from non-EU countries (19 %) rather than born in Latvia (6 %) or other EU country (9 %).

Despite the representatives of all socio-economic groups most often rate the amount of practical training as good, it is interesting that between respondents evaluated this state as average the greater percentage are among pupils from families coping on present income (30 %) and the lower percentage are among pupils from families living comfortable (22 %), whereas the better the living conditions the higher the percentage of good rates (from 54 percent for families that find very difficult to live on present income till 63 percent for families living comfortably).

### 4.3.3. Activities outside the programme

We were also interested in the activities of pupils outside the programme. Do they hold down a paid job which is not part of the programme (left part of Figure 8)?

**Figure 8. Paid job that is not part of the programme**



Much more than a half of the pupils (58 %) hold another job during the last year outside their programme. However just each fifth of them declares that he/she works regularly, while another four from five answer that they worked for payment but only during the holidays. More male pupils hold down a paid job outside the programme than female pupils. This is true both for regular work (Table 15) and for working only during the holidays (Table 16). The number of non-working pupils (Table 15) is much higher in service-related programmes than on industry-related. Meanwhile non-working pupils from parents born in other than Latvia EU countries are much scarce than in any other cases.

**Table 15. Working and non-working pupils (%).**

Have a paid job		Have regular work			Non-working pupils			
female	male	female	male	parents born	service	industry	parents born	SES

				both in Latvia	one in Latvia	both in other EU	both in non- EU			both in Latvia	one in Latvia	both in other EU	both in non- EU			
48	66	9	14	11	17	8	5	47	32	42	48	23	45	38	42	54

Majority of pupils whose both parents were born in other than Latvia EU countries have just occasional work during holidays (Table 16)) while more children of Latvia-born parents' have regular work comparing to children of abroad-born parents (Table 15).

**Table 16. Pupils working only during the holidays (%).**

Table 10: Pupils working only during the holidays (%).									
		parents born				SES			
		both in Latvia	one in Latvia	both in other EU country	both in non-EU country	below	average	above	
female	male	46	36	69	49	50	46	37	

The socio-economic status almost does not influence the aspect of regular work, however it affects if the pupils work occasionally or don't work at all. The lower SES the more often pupils are working during their holidays (Table 16). In turn, the higher SES the more often pupils do not work at all outside their programme (Table 15).

Considering how this work (outside the programme) is similar to those pupils undertake during their programme (right part of Figure 8) it is interesting (Table 17) that partial similarity is more often for industry-related programmes while more working pupils in service sector are occupied with some tasks other than in their programme comparing with working pupils from industry-related programmes.

**Table 17. Similarity of tasks within and outside the programme (%).**

Tasks are partially similar		Tasks differ		Tasks completely similar			
service	industry	service	industry	living on family's present income			
				comfortably	coping	difficult	very difficult

36	47	45	31	22	20	17	11
----	----	----	----	----	----	----	----

Family's financial conditions influence also the similarity of work within and outside programme. The more comfortably families are living on present incomes the more often pupils during their outside work are involved to the same tasks that they have within programme.

#### 4.4. Future career aspirations and self-assessment

Another goal of the research study was to measure the pupils' perceptions about their life goals and their future possibilities for employment, career building, and mobility.

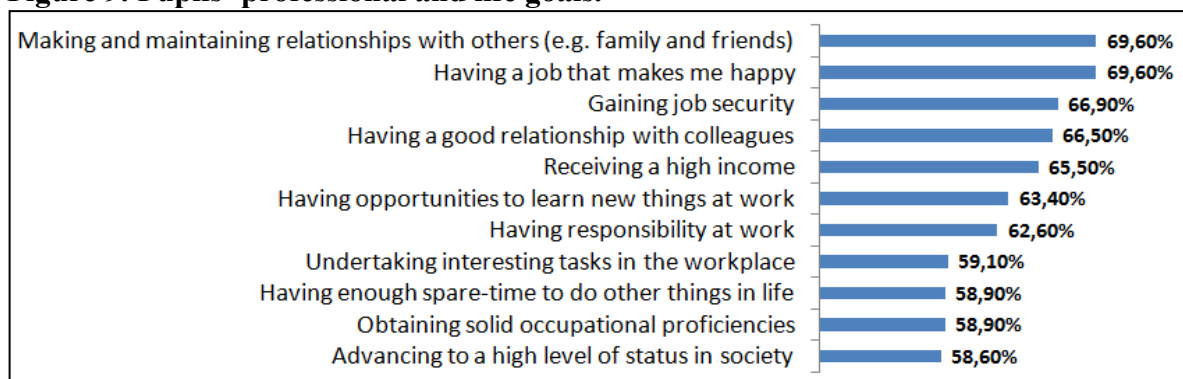
##### 4.4.1. Professional and life goal

Absolutely all considered aspects

Figure 9) are more important for women than for man. For instance, obtaining solid occupational proficiencies

Table 18), having a job that makes one happy and having a good relationship with colleagues (Table 19).

**Figure 9. Pupils' professional and life goals.**



Also absolutely all considered aspects are more important for service-sector programme's pupils rather than for industry-sector's. For instance, last two described aspects – “having a job that makes one happy” and “having a good relationship with colleagues” (Table 19). The same is related also to making and maintaining relationships with others (e.g. family and friends) (Table 20).

**Table 18. Pupil's professional and life goals ( %).**

Obtaining solid occupational proficiencies					Undertaking interesting tasks in the workplace						Having enough spare-time to do other things in life		
female	male	SES			city	town	farm	SES			SES		
		below	average	above				below	average	above	below	average	above
63	56	57	60	69	63	58	56	56	61	66	54	60	69

Desire of “undertaking interesting tasks in the workplace” slightly depends on place of pupil's living – for inhabitants of big cities or their suburbs it is more important than for pupils from towns or small cities and pupils from country villages or farms (Table 18).

**Table 19. Pupil's professional and life goals (%) – continuation.**

Having a job that makes me happy							Having a good relationship with colleagues						
female	male	service	industry	SES			female	male	service	industry	born in		
				below	average	above					Latvia	other EU	non-EU
74	66	73	65	69	72	79	69	64	71	63	67	34	81

Country of pupil's origin influences essentially on pupils attitude to having a good relationship with colleagues (Table 19)– just one of three pupils born in other than Latvia EU country decides that it is quite or very important, while so consider two of three pupils born in Latvia and even 81% of pupils born in non-EU country. Almost the same proportion are in consideration of advancing to a high level of status in society (Table 20).

**Table 20. Pupil's professional and life goals ( %) – ending.**

Advancing to a high level of status in society					Making and maintaining relationships with others (e.g. family and friends)			
born in		living on family's present income			service		industry	

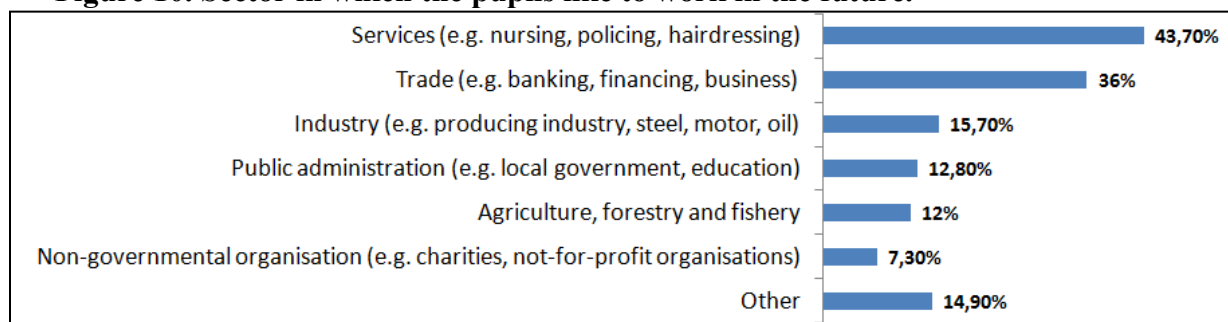
Latvia	other EU	non-EU	comfortably	coping	difficult	Very difficult		
59	41	94	63	56	56	64	73	67

#### 4.4.2. Preferred sector to work

When pupils were asked about the sector in which they would like to work in, the answer option “service sector (e.g. nursing, policing, hairdressing)” was quoted the most following with voting for trade (e.g. banking, financing, business). Other considered sectors are far away from two leaders (

Figure 10).

**Figure 10. Sector in which the pupils like to work in the future.**



For male pupils the sector of trade is the most quoted (33%), however female pupils' willingness to work there is even stronger – 40% (Table 21).

**Table 21. Preference of trade and agriculture (%)**

Trade (e.g. banking, financing, business)					Agriculture, forestry and fishery				
female	male	city	town	farm	female	male	city	town	farm
40	33	42	36	29	5	18	7	10	20

For male pupils after trade (33%) and service (30%) third the most popular sector is industry (e.g. producing industry, steel, motor, oil). While 26% of the male pupils quoted that they would like to work in this sector only 4% of the female pupils stated that they strive towards working in the industry sector (Table 22) - this sector is the least popular between female pupils. Almost the same attitude is for agriculture, forestry and fishery (Table 21).

**Table 22. Preference of industry and service (%).**

Industry (e.g. producing industry, steel, motor, oil)					Services (e.g. nursing, policing, hairdressing)								
female	male	grades			female	male	born in			living on family's present income			
		good	merit	Fair			Latvia	other EU	non-EU	comfortably	coping	difficult	very difficult
4	26	11	15	22	60	30	45	14	32	39	44	52	49

Opposite than attitudes for industry are perception of non-governmental organizations (e.g. charities, not-for-profit organizations) – with 10% this sector is fourth by popularity for female and with just 5% the least by popularity between male pupils (Table 23).

**Table 23. Other options (%).**

Public administration (e.g. local government, education)			Non-governmental organisation (e.g. charities, not-for-profit organisations)					
city	town	farm	female	male	living on family's present income			
					comfortably	coping	difficult	Very difficult
15	13	9	10	5	5	8	12	5

With regard to the service sector (Table 22), pupils who are born in Latvia more often chose this sector rather than born in a non-EU country and pupils born in other than Latvia EU country.

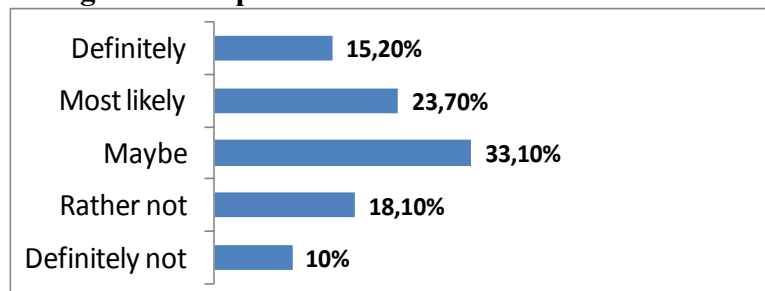
Pupils from big cities or their suburbs more often than pupils from towns or small cities and even more often than pupils from country villages or farms strive towards trade (Table 21).). The same is concerning the sector of public administration (Table 23) whereas for agriculture,

forestry and fishery the situation is opposite – just 7% of big cities inhabitants are thinking to be involved in this sector, while 10% of pupils from towns or small cities and whole 20% of pupils from country villages or farms are going to be occupied there.

#### 4.4.3. Perception of further education

We also asked the pupils whether they consider continuing schooling or participating in further education after they have finished their current vocational programme. In Latvia, in total, 39% of the pupils strive towards continuing their education while 33% are still not sure (Figure 11).Figure 11

**Figure 11. Pupil's intention to continue education.**



The higher the achieved grades the stronger the willingness to continue education (Table 24 and Table 25).

**Table 24. Pupils considering continue education most likely (%).**

female	male	grades			service	Industry	city	town	farm	SES		
		good	merit	fair						below	average	above
27	21	30	24	17	27	19	30	22	18	19	24	34

**Table 25. Pupils considering continue education definitely (%).**

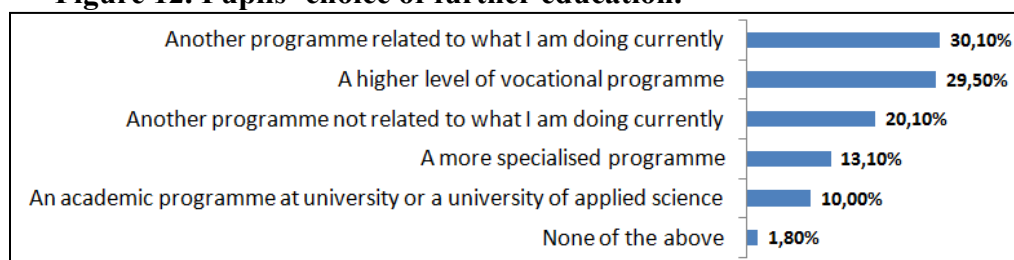
female	male	grades			Service	Industry	city	town	farm	SES		
		good	merit	fair						below	below	below
19	12	40	16	11	16	11	18	16	12	13	17	24

Also pupils from the service sector are aiming for further education more than those from industry sector (43 % vs. 30 %). More often pupils from big cities or their suburbs desire to continue their education (48 %) than from towns or small cities (38 %) who in turn are more willingness to continued education than pupils from country villages or farms (30 %). Even more differences regarding this attitude can be found in the different socio economic groups. The percentage of pupils who are willing to continue education is much higher in families with SES above average (58 %) than in those with an average (41 %) or below (just 31 %).

#### 4.4.4. Possible pathways

Pupils can choose from a variety of options when it comes to further education. Therefore, we were interested what qualification pupils would choose if they would continue learning (Figure 12).

**Figure 12. Pupils' choice of further education.**



The preferences for the different pathways (Table 26) differ between male and female pupils. While male pupils more often consider another programme related to what they are doing currently female pupils are the most interested in higher level of vocational programme (that not sufficiently differs from male opinion - 31 % vs. 28 %) and in another programme not related to what they are doing currently.

**Table 26. Pupil's preferences for the different pathways (%).**

Another programme		A more specialised programme	A higher level of vocational programme
related to what is doing	not related		

currently																
						born in			living on family's present income		SES			grades		
female	male	service	industry	female	male	Latvia	other EU	non-EU	very difficult	other cases	below	average	above	good	merit	fair
27	33	24	33	23	17	12	56	41	25	13	27	31	40	43	31	19

The level of achieved grades essentially influences just the preference of higher level of vocational programme – as higher grades as more often pupils prefer this option.

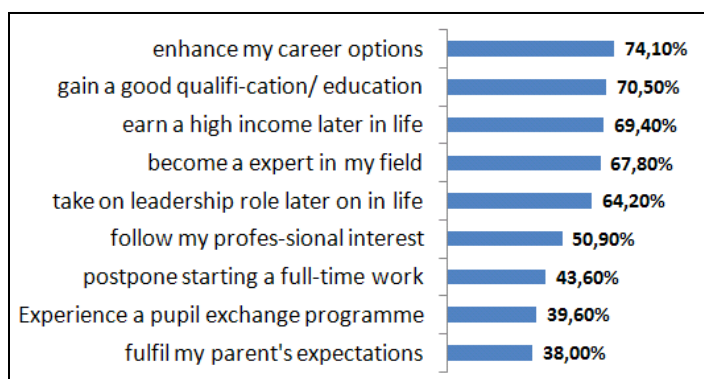
Pupils from industry sector more often than from service sectors desire to perfect themselves in already chosen area whereas pupils born in other than Latvia EU country or non-EU country more often than pupils born in Latvia prefer more specialised programme. This type of continuing education is stated more often by pupils from families with financial difficulties than from any of the other groups. A higher level of vocational programme is more attractive to pupils from families with socio-economic status above average than for those with an SES which is average or below average.

#### 4.4.5. Further education as enabler

The pupils were also supposed to report their opinion about further education (e.g. advanced training or studying). The opinion was inquired with several questions highlighting different attitudes and goals

Figure 13).

**Figure 13. Pupils' opinion regarding what further education enables them to.**



With the statement that further education enables them to fulfil their parent's expectations (Table 27) agree more male pupils than female, however for the rest of the considered factors female pupils agree with more than male, e.g. “to gain good qualification/education” (Table 28), “to enhance career options” (Table 29), “to experience a pupil exchange programme” (Table 27).). However the most essential difference is regarding professional interest (Table 30).

**Table 27. Pupils considering exchange programmes and parent’s expectations (%).**

Experience a pupil exchange programme				Fulfil my parent's expectations							
								parents born			
								both in Latvia	one in Latvia	both in other country	both in EU non-EU country
female	male	service	industry	female	male	service	industry	36	46	52	50
44	35	44	36	32	43	37	43				

Pupils with higher grades more often agree almost with all considered statements compared to pupils with lower grades, e.g. percentage of pupils agreed that further education enables them to follow their professional interest (Table 30); that further education enables to gain a good qualification/education (Table 21) and so on. The single exception is regarding consideration that further education enables pupils to earn a high income later in life (Table 21). Here there are no differences between visions of pupils with good and merit grade, however they are higher than regarding pupils with fair grades.

**Table 28. Pupils considering good qualification and high income (%).**

Gain a good qualification/ education										Earn a high income later in life		
female	male	grades			service	industry	born in			grades		
		good	merit	fair			Latvia	other EU	non-EU	good	merit	fair
75	67	85	73	52	72	65	71	68	25	73	74	56

Except of fulfilling parent's expectations where industry sector students agree more than pupils from the service sector (Table 27) all other considered aspects of further education are more appreciated by service sector students. For instance, "becomes an expert in my field" (Table 30), "gain a good qualification/education" (Table 28), "experience a pupil exchange programme" (Table 21) and "enhance my career options" (Table 29). The highest difference in service and industry sectors students' opinions is regarding the ability of further education to follow pupil's professional interest (Table 30). Here 56 percent of service sector students consider it as further education's enabler while just 44 percent of industry sector students share this opinion.

**Table 29. Pupils considering career options and starting of full-time work (%).**

Enhance my career options							Postpone starting a full-time work						
female	male	Service	Industry	born in			city	town	farm	living on family's present income			
				Latvia	other EU	non-EU				comfortably	coping	difficult	very difficult
78	70	78	68	75	46	35	49	40	41	49	43	39	33

A higher proportion of pupils who were born in Latvia agree with the statement that further education enables them to gain a good qualification/education (Table 28) comparing to pupils who were born in another EU country and even more compared to pupils who were born in a non-EU country. Almost the same proportion can be detected for the opinion that further education enables oneself to enhance career options (Table 29). While fulfilling of parent's

expectations is more important to pupils with parents both born in other than Latvia EU country, pupils with parents both born in Latvia much less agree to this statement (Table 27).

**Table 30. Pupils considering professional interest and become an expert (%).**

Follow my professional interest										Become an expert in my field	
female	male	grades			service	industry	city	town	farm	service	industry
		good	merit	fair							
58	44	73	52	34	56	44	57	48	48	71	65

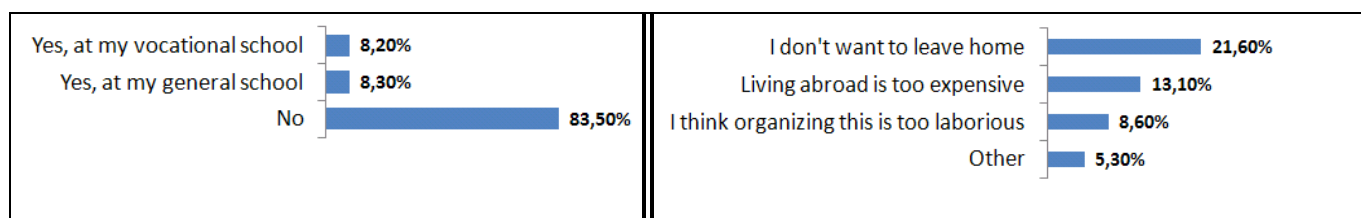
All aspects of further education are slightly more important for inhabitants of big cities or their suburbs than for pupils living in towns, small cities, country villages or farms. It is especially true for following pupil's professional interests (Table 30) and the ability to postpone starting of full-time work (Table 29). Agreement regarding ability to postpone starting of full-time work is also higher for pupils from families living comfortably than for pupils from families finding it very difficult to live on present income with almost linear distribution for intermediary cases (Table 29).

#### 4.4.6. International exchange

In today's society cross-cultural competencies become more and more important. Pupils in the vocational education system may also benefit from the personal development prospects abroad. To gain more information about the perspectives of the pupils regarding a stay abroad we asked whether they have ever participated in an international exchange programme for pupils (left part of Figure 14) and if not, we further asked why they did not participate (right part of Figure 14).

**Figure 14. Pupils' participation in an international exchange.**

Participation in an international exchange	Reasons not to participate in international exchange
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As could be seen from Table 31 the majority of pupils in Latvia have never participated in an exchange programme for pupils – 79 percent of female and whole 89 percent of male pupils. For vocational schools there is no big difference in participation rates between girls and boys. However females stated more often that they have participated at an exchange programme at their general school than their male counterparts (11 % vs. 5 %). Achieved grades do not influence on participation, however pupils from industry-related programmes participated in international exchange more often than from service sector. Pupils born in other than Latvia EU countries participated in international exchange more often than born in non-EU countries while pupils born in Latvia show the lowest percentage.

**Table 31. Pupils participated in an international exchange at vocational or general schools (%).**

female	male	service	industry	born in			parents born				SES		
				Latvia	other EU	non-EU	both in Latvia	one in Latvia	both in other EU country	both in non-EU country	below	average	above
21	11	6	12	15	84	31	13	20	36	20	20	13	10

Participation at international exchange programmes depends also on countries of parents' origin – 36 percent of pupils where both parents were born in other than Latvia EU country participated in an exchange while only 20 percent of pupils who's both parents were born in non-EU country or one of parents was born not in Latvia. For children of Latvia-born parents this rate is just 13 percent.

Again, while in vocational schools socio-economic conditions have no influence on participation at international exchange programmes, for general schools this is the case. The worse the socio-economic background the more often pupils participated in an exchange programme at the general school. For socio-economic conditions above average this percentage is just 3 percent while for average level it is 6 percent and for the level below average 12 percent.

When asking those pupils who were not interested in participating in an international exchange programmes about the reasons (right part of ( Figure 14) the aspect which was quoted the most is that they don't want to leave home, however here is not visible influence of socio-biographic characteristic on consideration. Despite of the fact that just a bit more than 8 percent of pupils consider that organising of international exchange is too laborious, it is interesting that male pupils stated this more often than female as well as industry sector students more often than service sector (Table 32). Even more interesting is that pupils from extreme layers of society (both living comfortably and finding financial situation of families very difficult) agree less with this statement than pupils from middle layers.

**Table 32. Pupils considering that organising of international exchange is too laborious (%).**

female	male	service	industry	living on family's present income			
				comfortably	coping	difficult	very difficult
5	11	5	11	4	13	11	4

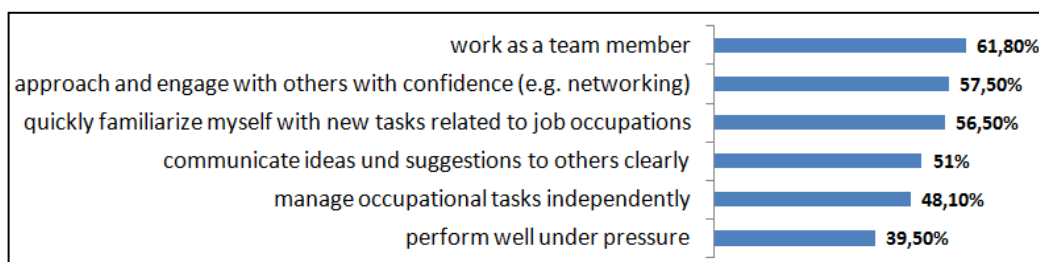
#### 4.5. Acquired skills and abilities

In addition to their acquired knowledge pupils were asked about their acquired skills and abilities.

##### 4.5.1. Soft skills

Pupils were asked to assess their current level of several soft skills relevant for the work sphere. Answers are presented in Figure 15.

**Figure 15. Pupils' perception that acquired skills and abilities being able them to ...**



Gender and the sector in which the pupils are undertaking their programme have an influence on the skills assessment. Female pupils assessed themselves higher by all of proposed soft skills than male, e.g. “manage occupational tasks independently” (Table 33), “approach and engage with others with confidence” (Table 36) and the highest difference is in assessment of ability to work as a team member (Table 36).

**Table 33. Pupils’ perception of managing occupational tasks independently (%).**

		Born in			Parents born				SES		
		Latvia	other EU	non-EU	both in Latvia	one in Latvia	both in other EU country	both in non-EU country	below	average	above
female	male										
51	46	49	26	22	50	51	52	21	57	51	45

Pupils from service sector estimate themselves higher than from industry sector by all of proposed soft skills. Foremost it concerns to ability of networking, working as a team member (Table 36) and quick familiarization with new tasks related to job occupations (Table 34).

**Table 34. Pupils’ perception of quick familiarize with new tasks related to job occupations (%).**

grades					born in						SES		
good	merit	fair			Latvia	other EU	non-EU				below	average	above
70	59	45	service	industry	57	55	45	city	town	farm	66	58	51

As a rule it can be stated that the higher the achieved grades the higher pupils’ self-assessment in the case of acquired skills and abilities. For instance, regarding ability quickly familiarize with new tasks related to job occupations (Table 34). Even more these differences are regarding ability to communicate ideas and suggestions to others clearly (Table 35).

**Table 35. Pupils' perception of communication ideas and suggestions to others clearly (%).**

grades			service	industry	city	town	farm	living on family's present income			
good	merit	fair						comfortably	coping	difficult	very difficult
65	53	38	54	48	55	52	48	56	49	51	42

Ability to manage occupational tasks independently is more often stated by pupils born in Latvia than born in non-EU country while pupils born in other that Latvia EU country estimated it even lower (Table 33). The same tendency can be detected for quick familiarize with new tasks related to job occupations (Table 34) and ability to work as a team member (Table 36). It is interesting that self-assessment of the ability to manage occupational tasks independently depends also on the country of parents' origin (Table 33) –pupils whose both parents were born in non-EU country evaluate themselves much lesser than in any other cases.

**Table 36. Pupils' perception of other skills and abilities (%).**

Work as a team member							Approach and engage with others with confidence (e.g. networking)						
female	male	service	industry	born in			female	male	service	industry	city	town	farm
				Latvia	other EU	non-EU							
66	58	67	59	62	45	28	61	55	63	53	62	57	53

The smaller the size of municipality were pupils are living the lower pupils' self-assessment, e.g. ability to approach and engage with others with confidence (Table 36). Almost the same distribution is regarding ability quickly familiarize with new tasks related to job occupations (Table 34) and ability to communicate ideas and suggestions to others clearly (Table 35).

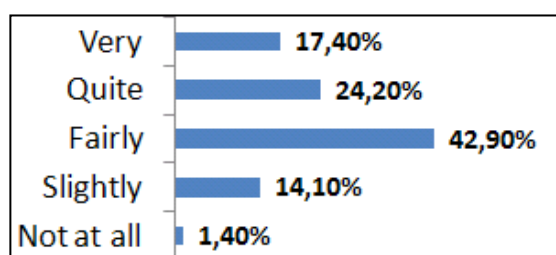
Further the income status of the family also affects the self-assessment of the pupils. Pupils from families with a difficult economic situation assess themselves less often skilled in certain abilities than pupils from families with a secure financial situation. For example, pupils who report to live comfortably on present income rate their skill to communicate ideas and suggestions to others higher than pupils who find it very difficult on present income (Table 35).

Index SES also influences on self-assessment – the better the socio-economic background the higher the perception of acquired skills. Particularly it is true for the ability to manage occupational tasks independently (Table 33). Even more differences can be detected regarding the ability to quickly familiarize one with new tasks related to job occupations (Table 34).

#### 4.5.2. Current programme as abilities' enabler

In addition to the self-assessment the pupils were also asked to what extend their current programme strengthens these abilities. Answers are presented in Figure16.

**Figure 16. Pupils' perceptions of development of soft skills by current programme**



Pupils with higher grades appreciate their programme's ability to develop necessary soft skills more –totally 56 percent of pupils with good grades consider that their current programme does it quite or very good, while the same opinion have totally percent of pupils with merit grades and just 29 percent of pupils with fair grades (Table 37).

**Table 37. Pupils appreciated their programmes (%).**

Quite											Very						
female	male	grades			born in			SES			female	male	grades			service	industry
		good	merit	fair	Latvia	other EU	non-EU	below	average	above			good	merit	fair		
27	22	33	26	16	24	17	20	22	26	33	20	15	23	18	13	21	16

There is a difference regarding the assessment of the programme between boys and girls. Male pupils more often assess that current programme fairly develop desired soft skills than female pupils (Table 38) and in turn female more often consider that the programme does it quite or very good (totally 47 % vs. 37 % - see Table 37). Service-oriented students more often than industry-oriented consider that their current programme helps them to develop necessary soft skills very well (Table 37).

**Table 38. Pupils not appreciated their programmes (%).**

Table 16: Pupils not appreciating their programmes (%)																				
Not at all			Slightly									Fairly								
born in			grades			born in			SES					grades			born in			
	other	non-					other	non-									Lat-	other	non	
Latvia	EU	EU	good	merit	fair	Latvia	EU	EU	below	average	above	female	male	good	merit	fair	via	EU	EU	
1	9	15	10	12	19	14	46	6	18	12	5	40	46	34	42	50	43	28	41	

Pupils who were born in Latvia more often stated that the programme prepares them fairly or quite good (43 % and 24 % respectively) than did pupils who were born in other EU country (28 % and 17 % respectively). In contrast the percentage of pupils born in Latvia that have stated that their programme prepares them slightly is much less than for pupils those were born in other EU country (14 % vs. 46 %). Percentage of pupils who consider that their current programme does not help to train their soft skills at all is much higher between those born in non-EU countries comparing to those born in other than Latvia EU countries whereas such consideration have few if any pupils born in Latvia.

Socio-economic background also influences the assessment of programme's appropriateness to develop necessary soft skills. When pupils from families with SES below average more often than others consider that the programme slightly helps to develop these skills (Table 38), pupils from families with socio-economic status above average more often than others consider that the programme promotes the necessary soft skills quite well (Table 37).

## Conclusions

The highest differences regarding gender were found in involvement into paid work that is not part of a programme. Half of female pupils have not paid work when only one of three male pupils are not involved into paid work that is not part of a programme.

The examination of certain factors shows that parents' suggestion is more important for girls than for boys for majority of cases. The influence of parents on pupils' decisions is stronger when both parents were born in other than Latvia EU country whereas the weakest dependence on parents is when both of parents were born in Latvia.

The most important information sources for pupils when choosing their programme were parents and family members, online information and other public media, e.g. newspapers, followed by informative days, fairs and open days at schools, whereas teachers' suggestions and job centres are least important for pupils when choosing the programme.

Friends' advice is more important for pupils born in other than Latvia EU countries rather than born in non-EU countries whereas least important for pupils born in Latvia.

In many cases there were not find sufficient (if any) differences between considerations of sector's representatives, however as in the survey participated pupils enrolled to approximately 200 VET programs and more detailed analysis could give more interesting and maybe unpredictable results.

Influence of currently achieved grades to pupils' suggestions is rather obvious in majority of cases and therefore this analysis does not give essential added value. The same is related to influencing of the place of pupil's living. As larger is size of pupil's living place as more ambitious they are.

However analysis of pupil's country of origin as well as country of origin of their parents shows even predictable but unexpectedly high difference in mentality between pupils born in Latvia, born in other EU country and born in non-EU country.

Analysis of influence of socio-economic background to pupil's considerations in majority of cases shows that as higher is social status of family as stronger pupils are motivated. However sometimes (e.g. regarding occupation related to enrolled programme) it was surprising that considerations of pupils from families representing opposite sides of society (either living comfortably or very difficult) coincide and sufficiently differ from considerations of pupils representing middle layers families.

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