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Highlights

West African Stock Markets

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Discovering Thoughts, Inventing Future

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Nigeria's Balance of Payment Crisis: Causes and Recommendations

By Victor Kilanko
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Abstract- Nigeria's balance of payment crisis has been at the heart of its frequent recession and incessant currency devaluation. Hence it is imperative that major economic policies and strategies address this issue. As this paper as showed, if Nigeria could consistently attain overall balance of payment surplus, the naira will be strengthened, and the economy will flourish. Therefore, this paper attempts to demystify Nigeria's balance of payment deficit while offering recommendations to improve the weak balance of payment. While the structural approach to adjusting balance of payment crisis seems to be the method with lasting economic change, it appears the most difficult to execute.

Keywords: *balance of payment, currency devaluation, foreign exchange, nigeria, naira.*

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Nigeria's Balance of Payment Crisis: Causes and Recommendations

Victor Kilanko

Abstract- Nigeria's balance of payment crisis has been at the heart of its frequent recession and incessant currency devaluation. Hence it is imperative that major economic policies and strategies address this issue. As this paper as showed, if Nigeria could consistently attain overall balance of payment surplus, the naira will be strengthened, and the economy will flourish. Therefore, this paper attempts to demystify Nigeria's balance of payment deficit while offering recommendations to improve the weak balance of payment. While the structural approach to adjusting balance of payment crisis seems to be the method with lasting economic change, it appears the most difficult to execute.

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I. Introduction

Balance of payment is a statement of a country's transactions with the rest of the world over a particular period (Lagoarde-Segot, 2023). It has the current account which shows goods and services transaction and the capital account which shows capital movement. Balance of payment is said to be at deficit if import is more than export and if capital outflow is bigger than capital inflow. While it is at surplus if the reverse is the case. Nigeria has often have daunting balance of payment deficit due to its over-reliance on crude oil (Knoema, 2020). According to the World Bank, Nigeria has a negative $15.4 billion and a negative 16.9 billion in current account balance of payment in 2015 and 2020 respectively (The World Bank, n. d.). While balance of payment deficit shows high consumption and perhaps high quality of life, it tells a different story when it becomes unsustainable. Nigeria has dealt with unsustainable balance of payment deficit for a long time. This is evidenced in the frequent IMF loans, frequent naira devaluation, and frequent contractionary monetary policy (Oladipupo, 2011).

In this paper, we shall espouse Nigeria's balance of payment crisis within the framework of the three balance of payment approaches and recommend how Nigeria can better address its balance of payment deficit.

II. Assessing Balance of Payment with the Mundell-Fleming Model

The Mundell-Fleming model also known as the IS/LM/BP model provides economists with a framework to understand and explain the causes of balance of payment problems (Bird, 2014).Let us start with a basic introduction of the model as showed in Figure 1.

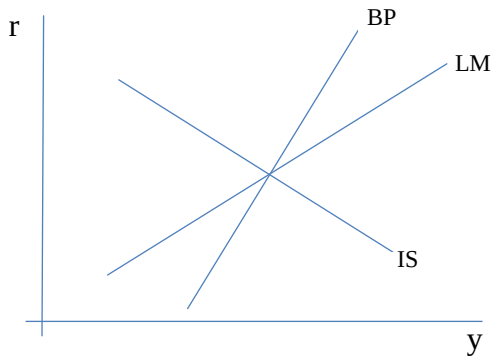


Figure 1: A basic Mundell-Fleming Model

The IS schedule (real economy) shows the combination of the interest rate and income level where planned investment is equal to planned savings (Bird, 2006). It shows real sector equilibrium. It is downward sloping because when interest rate falls, investment increases based on the elasticity of investment to interest rate (Fan & Fan, 2002). Also, when income rises, savings rise based on marginal propensity to save (MPS). It is quite flat because we are assuming that Nigeria's MPS is small, and investment is very elastic to interest rate.

The LM schedule (monetary economy) represents the values of interest rate and income level where the demand for money equals the supply of

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money. This shows monetary sector equilibrium (Pilbeam, 2013). It is upward sloping because at a certain level of money supply, when income increases, the demand for money as a means of transaction increases and the interest rate also increases as money demand increases (Fan & Fan, 2002). It is steep because we assume that as income rises, the transactional demand for money rises and that there is a steep money supply schedule as money supply is not very elastic to interest rate (at full capacity). Also, we assume Nigeria's money demand isn't very sensitive to interest rate.

From the above set up, there is a huge transactional demand for money and an insensitive money supply. Money supply doesn't necessarily increase with increased interest rates.

Moreover, the BP schedule (balance of payment) represents the export and import. We assume the export as given because it depends on other nations' income level which is beyond Nigeria's control. But import is based on Nigeria's income level. When income increases, import increases based on Nigeria's marginal propensity to import (as an import dependent nation)(Riti, Gubak, & DA Madina, 2016). Hence the BP schedule is upward sloping (Fan & Fan, 2002). If we consider the capital account as well, the capital flow will depend on the elasticity of capital flow to interest rate. We assume that capital flow is insensitive to interest rate as political instability and security threats deter investors, so the BP schedule is quite steep. And if there will be a capital surge at all, the interest rate needs to be very high.

Let us consider how a shift in these schedules will affect balance of payment. If there's an expansionary fiscal policy, IS shifts to IS[1]as showed in figure 2.

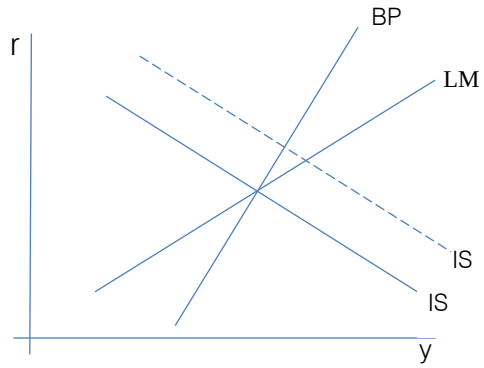


Figure 2: A Mundell-Fleming Model Showing a Shift in IS.

The national income increases, and interest rates are pushed up. But as interest rate is still below BP, the economy lacks the required interest rate to bring in enough capital. There will be an overall balance of payment deficit. Also, the steep BP means low capital mobility as many investors do not consider investing in assets in developing economies. However, if Nigeria can fix its capital mobility issues and make the BP schedule to be more flat-like, a surge of capital into the economy will cause balance of payment surplus to compensate for any current account balance of payment deficit (Ezu & Oranefo, 2023). We will discuss how Nigeria can fix its capital mobility issues under the structural approach.

If there was a monetary expansion as showed in figure 3 due to an increase in money supply, interest rates will be pushed down below the BP schedule-further than the push of the IS shift. Even though there is higher national income, the economy lacks enough interest rate to attract capital inflow, so there will be an overall balance of payment deficit. Hence, Nigeria really must investigate solving its capital mobility issues.

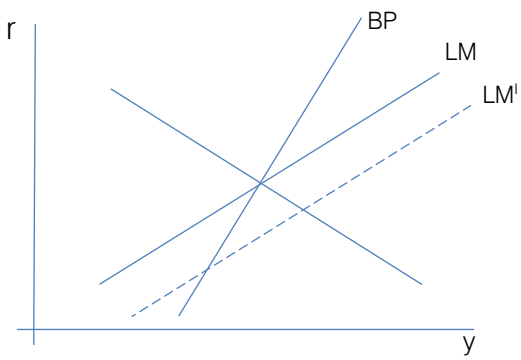


Figure 3: A Mundell-Fleming Model Showing a Shift in LM

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Assuming Nigeria shifts its BP schedule to the right due to increase in political stability or credit worthiness or change in exchange rate as showed in figure 4. The interest rate is above the BP which means that there will be a surge in capital inflow which can compensate for any balance of payment current account deficit and create an overall balance of payment surplus.

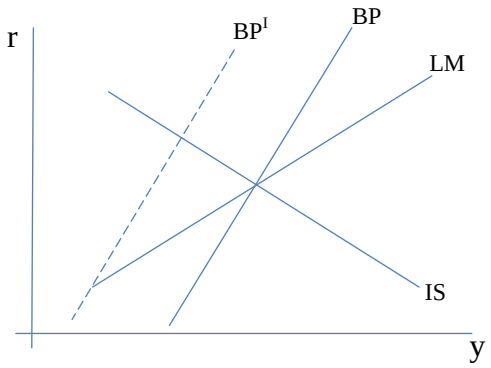


Figure 4: A Mundell-Fleming Model Showing a Shift in BP

III. Balance of Payment Theories

There are three balance of payment theories that examine balance of payment problems. They are the absorption approach, the monetary approach, and the structural approach.

a) The Absorption Approach

The absorption approach focuses mainly on the current account side of the balance of payment- the real sector (IS)(Pilbeam, 2013). If IS shifts to the right due to improved business outlook or increase in the average propensity to consume, or fiscal expansion, national income will increase. This will lead to an increase in import as the aggregate domestic demand is bigger than the aggregate domestic supply or as higher income induces inflation which makes local goods more expensive than imported ones (Lagoarde-Segot, 2023). This will cause a problem in Nigeria's balance of payment because the current account weakens and there is a current account balance of payment deficit.

To view this in Mathematical Expressions:

$Y = C + I + G + X - M$ ..... Equation 1

Where Y = national income

C = consumption

I = investment

G = government spending

X = export

M = import

S = savings

C + I + G = domestic demand

$X - M = Y - (C + I + G)$ ..... Equation 2

And Income (Y) = Consumption (C) + Savings (S)..... Equation 3

$X - M = (S - I) + (T - G)$ ..... Equation 4

From the above equation 4, a balance of payment current account problem can be due to a public sector or a private sector problem. We have seen above how a shift in the private sector (S - I) due to fiscal changes (shift in T-G) can cause a current account problem.

However, this approach does not recognize the capital/ financial account(Bird, 2006). The model is silent on the effect of interest rate on BP nor on how change in interest rate can induce capital inflow to attain an overall balance of payment equilibrium. As seen in figure 2, a shift in IS will of course create a ripple effect that the model ignores because it didn't talk about capital flow or money. Well, the balance of payment account is beyond the current account. Many scholars have attributed this shortcoming to the era the theory was postulated as there was limited capital mobility, pegged exchange rate, and little monetary independence(Bird, 2014). This is often called the trilemma and countries must meet two of the three conditions (pegged exchange rate, capital mobility, and monetary independence) (Popper, Mandilaras, & Bird, 2013).

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This also explains the reason the theory doesn't mention exchange rate. Exchange rate differentials will affect import and export. A devaluation of naira will make export cheaper and import more expensive. For a country largely dependent on import, this will lead to current account balance of payment deficit which this theory ignores.

The key takeaway is that whenever Nigeria's aggregate demand is greater than its aggregate supply, it leads to balance of payment current account deficit. To reduce the deficit, the government either dampens demand or raise national aggregate supply. Oftentimes, the government reduces demand which tends to lead to recession.

b) The Monetary Approach

The monetary approach simply says that any disequilibrium in the balance of payment is due to disequilibrium in the domestic monetary sector (Pilbeam, 2013).

Normally in a Domestic Monetary Sector Equilibrium:

Money demand (Md) = (Ms) Money supply……... Equation 5

Where Md = kPY……. Equation 6

k = nominal income coefficient

P = price level

Y = real income

And Ms = D + R…….. Equation 7

D = net domestic assets of the banking system

R = international reserves

Let us assume that there is a domestic monetary sector disequilibrium and money supply is higher than money demand. It is also right to assume that there will be higher spending. As this approach integrates both the real sector and monetary sector, we can safely assume that people can spend the excess money in the domestic real sector. When full capacity is reached, price level will go up and our exports will become more expensive. Many people will shift to imported goods because they are cheaper, and this weakens the balance of payment current account and causes a balance of payment deficit problem. This same outcome will result from direct spending in foreign real sector as import quantity goes up than export and the balance of payment current account weakens.

If people chose to spend the excess money supply in the domestic financial market, they can buy government bonds and cause the price to rise with increased demand. This will make the interest rate fall. With lower relative interest rate, there will be capital outflow. This weakens the balance of payment capital account. On the other hand, with the fall in interest rate, investment and consumption may increase as business owners and consumers take advantage of lower interest rate to spend more. As aggregate demand rises, inflation sets in when we reach full capacity, and we are back to weak balance of payment current account. Elsewhere, people could have spent their money in the foreign financial market assuming exchange rate doesn't change, and assuming no default or political risks and there's perfect competition. They take advantage of interest rate differentials and capital flows out of the Nigerian economy. Hence, we have balance of payment capital account deficit. The above shows diverse ways the Nigerian balance of payment can have problems and the underlying cause is the shift in the LM schedule due to disequilibrium in money supply or money demand as shown in figure 3.

R = Md – D……..... *Equation 8*

Change in R = Change in Md – Change in D…… *Equation 9*

In real life though, these causes are not always clearly delineated. Expansionary fiscal measures may raise income, cause inflation, increase import, cause balance of payment current account deficit. With the attendant interest rate increase may come high capital inflow. Disequilibrium in the capital account is due to disequilibrium in the current account.

With Nigeria's flexible exchange rate, balance of payment deficit leads to exchange rate devaluation and the fall in the value of Naira as the government tries to discourage import consumption and encourage more export and made-in-Nigeria products' consumption (Ukangwa, Onyenze, & Uke-ejibe, n. d.). Nigeria's balance of payment deficit problem, hence, touches every fabric of the economy. A balance of payment surplus would however strengthen the naira. But if we had pegged exchange rate, surplus balance of payment adds to our reserves and deficit balance of payment depletes our reserves. And whenever we can't meet our money demand, we use reserve as shown in equation 9 (Bird, 1981).

There are legitimate criticisms of the monetary approach as it has no mention of the exchange rate. Exchange rate plays a huge role in capital flow and this approach despite its reference to money didn't include the influence of the exchange rate (Iyoboyi & Muftau,

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2014). Based on the above explanation about excess money demand and a surge in capital inflow, an unstable exchange rate will discourage foreign direct investment and keep the overall balance of payment weakened. Likewise, Nigeria's default risk and high political instability may restrict capital inflow which the model fails to address. Also, disequilibrium in the balance of payment may be the cause of domestic monetary sector disequilibrium. Balance of payment current account deficit may cause higher money supply to try and handle the deficit.

Like monetarists, the monetary approach assumes that money demand is stable (Bird, 2007). The demand for money is unstable. So, expecting to find a domestic monetary sector equilibrium (Md = Ms) may be challenging.

c) *The Structural Approach: The Houthakker-Magee Effect*

The Houthakker-Magee effect points to the fact that countries might just be producing the wrong goods(Bird, 2006). That is, the balance of payment problem is down to not producing the right goods. Wrong goods are classified as goods with low-income elasticity of demand. That is, as income increases the demand for these goods remain low. If a country is producing this kind of goods, its export doesn't increase with income. So, its export remains low, and it is forced to import goods with high income elasticity of demand-so the import keeps getting higher. As Nigeria only produces raw materials like agricultural products and crude oil, as the income of her trading partners increases, they don't have a proportionate increase in demand for these goods. Hence, Nigeria's export does not proportionately increase with income over time. On the other side, Nigeria must import goods with high income elasticity of demand as she does not produce them. Goods like technology often have high income elasticity of demand. This makes import higher than export and weakens the balance of payment account.

This phenomenon came because of an experiment by Houthakker and Magee where they realized that countries trading goods with low-income elasticity of demand often have balance of payment current account deficit (Houthakker & Magee, 1969). And it is often suggested that these countries ensure that their growth rate isn't as high as their trading partners'. This helps manage aggregate demand relative to other countries.

Another cause of problem to the balance of payment under the structural approach is when a country has the right goods, but it is in the wrong markets. The wrong market being that it sells in a country with little/no income growth. So, if Nigerian goods have high income elasticity of demand but the income of our trading partners (countries) is somewhat stagnant, Nigeria's export would be somewhat stagnant also while her import increases because she must meet her increased aggregate demand. As import is greater than export, balance of payment current account weakens.

Moreover, another element of the structural approach is when we have the right goods and the right markets, but our production is inefficient. If our competition is advanced countries with better production and more productivity (lower unit cost of production), they can charge lower prices, reinvest their profits into research and development, and lower prices even more while they raise quality. We (with our inefficient production and higher unit cost of production) can't compete with this. If we choose to match their prices, our profits will be too low that we can't reinvest profit to make improvements on our products and production. If we choose to charge higher prices, we will be priced out of the market. Either way, our balance of payment is weakened as our export is pushed low and import remains high. This is the conundrum most underdeveloped countries find themselves. The inefficiency might be perpetuated by poor infrastructure (education, health, human capital, physical infra-structure), little access to capital or just political reasons. In all of these, our investment in productivity is greatly affected and our international competitiveness is hindered. As imports remain higher than exports, balance of payment current account is weakened.

IV. Discussion and Recommendation

The structural approach makes the case for a diversified Nigerian economy focused on manufactured goods with high income elasticity of demand. The more reason why Nigerian creative sector and technology sector should be supported as they tend to produce goods whose demands increase with income (Bird, 1983). When done well, the structural approach will shift the BP schedule below the interest rate to create an insurge flow of capital into Nigeria due to political stability, credit worthiness, or the view that Nigerian investments are perfect substitute to investments anywhere in the world as explained above. With increased export, increased capital inflow, and decreased import, Nigeria will be on the way to economic prosperity.

There are also some criticisms for this structural approach. One, it focuses on current account alone. In trying to explain the cause of balance of payment problems and making a huge point about the structure of the economy (which is often overlooked), it is unfortunate that the capital account is ignored. The author believes that the role of the financial market of a country in re-structuring of the economy can't be ignored. The monetary sector often determines what investments go into the real sector. If a country has subpar productivity relative to her competitors, the

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monetary policies can often be used to incentivize investment. This will be a worthy addition to the structural approach for Nigeria.

This paper also espouses a problem that is often challenging to address. As we have said that many developing countries suffer from this "structural syndrome". Nigeria has long highlighted this problem and sought to diversify away from crude oil. However, this has proven difficult. Nigeria, and maybe most developing countries, often don't have the political will or time to make this structural change. Building the manufacturing/technology sector (which is efficient and has products with high income elasticity of demand) is huge investment of time and resources in education, infrastructure, policies etc. A term or two in office is not enough to do this. Political unrest and ethnic agitations often make fundamental changes challenging. A tribe or group of people who have always benefitted from existing structures will feel threatened.

Also, if developing countries are ready to put their acts together and produce goods with high income elasticity of demand, would advanced countries be ready to reduce their export and surplus so that developing countries (new market entrants) can raise their exports (Bird, 2001)? Will they be international coordination? This might be a worthy question for the World Trade Organization.

V. Conclusion

Dampening aggregate demand may seem like a quick fix to Nigeria's balance of payment deficit problem, however, this paper has showed that this measure creates recession. A more sustainable, and maybe difficult, approach is raising Nigeria's output through a structural focus on efficient production of goods with high income elasticity of demand. This approach will raise wages, raise quality of life (if inflation can be managed), and strengthen the naira. A surplus balance of payment looks like the linchpin to Nigeria's economic buoyancy. Hopefully Nigeria has the political will and patience to execute this approach.

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Cointegration and Interdependence of West African Stock Markets

By Ebi Georges Fossou
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Abstract- This paper aims at analysing the potential long-run and short-run linkage and relationships between the market capitalizations of the WAEMU, Ghana, and Nigeria stock markets using annual data from 1993 to 2020. The results of the preliminary tests reveal a correlation coefficient ranging from -0.006 to -0.614 which states that the Ghanaian and Nigerian stock markets have substantial correlations with the WAEMU stock market. The results of the cointegration estimates show a substitution effect between the WAEMU and Ghanaian markets and a complementarity effect between WAEMU and Nigerian markets. Furthermore, the results suggest that the stock markets are interconnected and the link depends on the proximity between them.

Keywords: BRVM stock market, long-term relationship, stock market integration, johansen cointegration.

GJMBR-B Classification: JEL Code: B26, C58, D53, F15



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I. Introduction

For several decades, several researchers have been interested in studying the integration of stock markets. Indeed, the stock market, like the financial markets according to Levine, (1997) fulfills a primary function, i.e. to facilitate the allocation of resources, through space and time in an uncertain environment. The development of the stock market aims at facilitating trade, diversifying risks, providing liquidity, and reducing information asymmetry, which will attract foreign investors and thus positively affect the level of international financial integration. In the literature, there are several studies on the integration of Asian and African emerging markets.

De santis and Imrohoroglu (1997), using a GARCH model, showed that neither country-specific risk nor global market risk is assessed and therefore no conclusions can be drawn about the impact of market liberalization. Menon et al (2009) studied the linkages between the stock markets of India, Hong Kong, and America, using the Engle-Granger cointegration test. The results reveal that there is no interconnection between the stock markets of India and America or India and Hong Kong. Going in the same direction, Saha and Bhunia (2012) conducted their investigations on the Indian and South Asian markets through stock index data from August 2002 to August 2011. As a result, they argue that these markets are interconnected in the short run as well as in the long run.

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Jacob and Littleflower (2022) through a cointegration regression studied the interdependence between six Asian and African stock markets including India, China, Singapore, Japan, Indonesia, and South Africa. The results reveal that all markets have substantial correlations with the Indian stock market, with the exception of the Chinese stock market. However, the stock markets of India and Shanghai show some correlation, and when the stock markets of India and Singapore are interconnected, the correlation between the stock markets of India and America is low. The stock markets of India and Singapore are significantly correlated. Tai (2007), finds that market liberalization has reduced the cost of capital and price volatility for most countries.

Some studies have focused on the integration between Latin American stock markets, such as the study by Pegan and Soydemir (2000), which focused specifically on the US, Argentine, Brazilian, Chilean, and Mexican stock markets. The results show that the US stock markets strongly influence the Latin American markets, but the responses are not homogeneous. Furthermore, the effects of US innovations are increasingly felt in the stock markets of Mexico, Chile, and Brazil than in the other markets. Finally, Argentina and Chile seem to be more sensitive to a shock in the Brazilian market than to a shock in the Mexican stock market. Chen, Lobo, and Wong (2006) analyzed the link between the Indian and US stock markets using a fractionally integrated VECM and a multivariate GARCH model. The results support the presence of cointegration between the markets.

The Ivory Coast, like the WAEMU countries, Nigeria and Ghana, has made enormous progress in the African economy in recent decades. This progress is due to multiple economic and political reforms, notably, the strengthening of competition, the deepening of finance through innovative instruments, the easing of restrictions on foreign capital flows and the reduction of transaction costs, and the improvement of liquidity.

The objective of this research is to study the relationship of the WAEMU stock market with the stock markets of Ghana and Nigeria. To do so, this research is organized as follows: the second part presents the estimation technique to be adopted; the third part is devoted to the presentation and analysis of the results obtained, and finally, the fourth and last part will be devoted to the conclusion and discussions.

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II. Methodology

This study is based on a cointegration regression in the West African zone during the period 1993 to 2020. The data to be analyzed are taken from the World Bank database (WDI).

Three cointegration estimators will be used to test the causal links between economic growth, demography, and human capital. These will be the Fully Modified Ordinary Least Squares (FMOLS) estimator (Phillips and Hansen, 1990), Canonical Cointegration Regression (CCR) (Park, 1992), and Dynamic Ordinary Least Squares (DOLS) (Stock and Watson, 1993). These estimation methods overcome some of the limitations of the ordinary least squares (OLS) method. Indeed, these techniques deal with the problems of serial correlation and endogeneity that could arise in the presence of cointegration.

a) Model Specification

This study aims to analyze the integration of West African stock markets. Thus, unlike the economic literature, which uses stock market indices, we will use the market capitalization of domestic listed firms (% of GDP) as a proxy for the size of the financial market. Following Jacob and Littleflower (2022), we will use a linear regression model that will be specified as follows:

$$WAEMUt = \alpha 0 + \alpha 1 + GHAt + \alpha 2NGAt + \varepsilon t \quad (1)$$

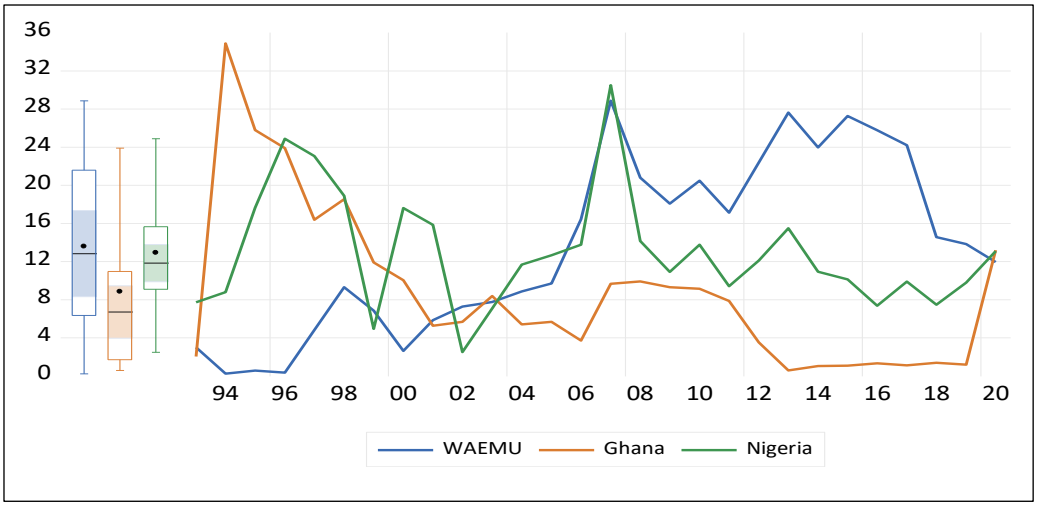
With:

$WAEMU_t$, is the endogenous variable of the stochastic model. It represents the market capitalization of domestic companies listed on the WAEMU stock exchange; GHA_t means the market capitalization of domestic companies listed on the Ghana Stock Exchange; NGA_t means the market capitalization of domestic companies listed on the Nigerian Stock Exchange; ε_t is the stochastic disturbance.

III. Results

a) Preliminary Test Results

Before conducting any statistical test, the quality of the quantitative data must be checked. In the context of this study, two tests are essential: the test for measuring multicollinearity and the descriptive statistics of the variables.



Source: Prepared by the Authors based on the Results of the Eviews Software

Figure 1: Evolution of the Capitalization of Wes-19.00]t African Stock Markets

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Table 1: Descriptive Statistics and Correlation Matrix of Variables

	WAEMU	GHA	NGA
Mean	13.594	8.858	12.936
Median	12.893	6.777	11.900
Maximum	28.877	34.886	30.508
Minimum	0.234	0.582	2.497
Std. Dev.	9.180	8.482	6.127
Skewness	0.145	1.441	0.999
Kurtosis	1.730	4.710	4.062
Jarque-Bera	1.977	13.115	5.981
Probability	0.371	0.001	0.050
Sum	380.650	248.047	362.235
Sum Sq. Dev.	2275.752	1942.551	1013.676
Observations	28	28	28
WAEMU	1.000		
GHA	-0.614	1.000	
NGA	-0.006	0.355	1.000

Source: Prepared by the Authors based on the Results of the Eviews Software

Table 1 above shows that over the 28 years of observation, the time series behave well overall. Indeed, the data do not suffer from any "outlier" problems insofar as the mean of each series and its median are roughly equal. A remarkable observation from the descriptive statistics is that the time series follows a normal distribution, with the exception of the Ghana stock market. Indeed, the P-value of the Jarque-Bera statistic is below the 5% threshold. With regard to the correlation matrix between the series, the results provide insight into the negative long-run linkages between the UEMOA stock market and the other key markets, notably Ghana and Nigeria.

b) Results of the Stationarity and Cointegration Tests

The study of stationarity is essential for the validity of a time series regression. Indeed, this analysis is a priori necessary to avoid spurious regressions. In the context of our analysis, we will use formal tests, in particular the Augmented Dickey-Fuller (ADF) test of Dickey and Fuller (1981), and the Phillips-Perron (PP) test of Phillips and Perron (1988).

Table 2: Unit Root Test (ADF & PP)

Variable	ADF-I (0)		ADF-I (1)		PP-I (0)		PP-I (1)	
	t-Statistic	Prob.	t-Statistic	Prob.	t-Statistic	Prob.	t-Statistic	Prob.
WAEMU	-1.557	0.489	-4.905	0.000	-1.540	0.4984	-4.908	0.000
Ghana	-2.541	0.117	-11.372	0.000	-1.373	0.153	-10.282	0.000
Nigeria	-0.782	0.367	-5.598	0.000	-0.883	0.324	-10.438	0.000

Source: Prepared by the Authors based on the Results of the Eviews Software

As the time series are stationary in the first difference, we will attempt in the following to confirm the presence of one or more cointegration relationships between the series. In the context of this study, we have used the Johansen (1988) cointegration test.

Indeed, this test makes it possible to estimate the following stochastic model:

$$\Delta Yt = A0 + A1\Delta Yt-1 + A2\Delta Yt-2 + \cdots + Ap\Delta Yt-p+1 + \pi Yt-1 + \varepsilon t \quad (2)$$

Where p is a matrix written as follows: $\pi = \sum At-1$

To perform this test, the Johansen statistic is calculated by the following expression:

$$\lambda trace = n \sum \ln (1 - \lambda i) \; ki=r+1 \quad (3)$$

Where n is the number of observations; r denotes the order of the matrix π; k is the number of variables; λ_i denotes the values of the matrix π.

The choice of the Johansen test is justified by the fact that this test is an improved version of the Engle-Granger test. It avoids the problem of choosing a

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dependent variable and the problems created when errors are carried over from one step to the next. As such, the test can detect multiple cointegration vectors. In practice, it is necessary to determine the optimal number of lags according to the Akaike and Schwarz information criteria before applying the Johansen test.

Table 3: Determining the Optimal Delay

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-249.981	NA	56760.97	19.460	19.605	19.501
1	-213.598	61.570*	6957.108*	17.353*	17.934*	17.520*
2	-207.205	9.344	8790.433	17.554	18.570	17.846

Source: Developed by the Authors based on the Results of the Eviews Software

The results show that in addition to the Akaike information criterion (AIC) and the Schawrz information criterion (SC), all other criteria such as the Hannan-Quinn information criterion (HQ), the Final Prediction error (FPE) and the sequential modified LR test statistic (LR), indicate an ideal delay length of 1.

Table 4: Results of the Johansen cointegration test

Hypothesized		Trace	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.**
None *	0.561213	38.92391	29.79707	0.0034
At most 1	0.397163	15.03541	15.49471	0.0585
At most 2	0.012279	0.358284	3.841465	0.5495

Source: Developed by the authors based on the results of the Eviews software

Table 3 above, reveals the existence of a cointegration vector between the WAEMU, Ghana, and Nigeria stock markets. Indeed, the Trace statistic is sufficient to reject the null hypothesis at the 5% significance level. Specifically, there is a long-run equilibrium relationship between the variables in the study. This justifies the choice of our estimation methods namely: FMOLS, DOLS CCR and ECM.

c) Results of the Long-Term Estimates: FMOLS, DOLS, and CCR

For the rest of our analysis, we use these three estimators because of their advantage over traditional Ordinary Least Squares estimates. Indeed, these methods present more robust and reliable results, especially in small sample sizes.

Table 5: Results of the Cointegration Estimators

Dependent variable	WEAMU stock market					
	FMOLS		DOLS		CCR	
	Coeff	Prob.	Coeff	Prob.	Coeff.	Prob.
Ghana	-0.982*	0.0000	-1.801*	0.000	-1.016*	0.000
Nigeria	0.498	0.131	1.712*	0.008	0.584	0.141
Constante	16.282*	0.001	6.9321	0.249	15.381*	0.004
R^2 adjusted	0.417		0.678		0.396	
Note : *, **, *** denote the rejection of the null hypothesis at the 1%, 5%, and 10% significance levels respectively						

Source: Developed by the Authors based on the Results of the Eviews Software

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The results of this table reveal that, in all three estimation methods, the development of Ghana's stock market is statically significant and negative at the 1% significance levels. This means that the development of the Ghanaian stock market induces a decrease in the attraction of the BRVM stock market. There is therefore a substitution effect between these two markets.

In addition, the results of the FMOLS and CCR estimations show the existence of positive but non-significant effects of the development of the Nigerian stock market on the development of the BRVM stock market. However, the DOLS estimation proves the existence of a significant and positive effect. There is therefore a complementarity effect between the BRVM market and the Nigerian market.

In general, the operations of the stock market are dependent on the operations of other stock markets in the world. Historical events such as the Russian-Ukrainian invasion are no exception. Econometrically, the DOLS estimate performs better with a predictive power of 0.678 or 67.8%.

This research will be very useful to understand on the one hand that the DOLS estimator performs better in the presence of a cointegrating relationship between the variables studied. On the other hand, the study allows us to understand how the policies adopted by other nations affect the BRVM stock market.

d) Estimation of the Error Correction Model (ECM)

According to d'Engle and Granger (1987), the natural extension of cointegration is to estimate the short-term dynamics. Thus, having confirmed the presence of a cointegrating relationship, the results of the short-term estimates of the error correction model (ECM) are presented in Table 5 below.

Table 6: Results of the Error Correction Model (ECM) Estimations

Dependent variable	WEAMU stock market	
Short-term estimate		
Variable	Coefficient	Prob.
D (Ghana)	-0.193**	0.089
D (Nigeria)	0.267**	0.018
RESID (-1)	-0.274**	0.029
Constante	0.341	0.656
R^2 ajusté	0.273	
Long-term estimate		
Variable	Coefficient	Prob.
Ghana	-0.759*	0.0000
Nigeria	0.364*	0.0000
Constante	15.603*	0.0002
R^2 ajusted	0.38	
Note : *, **, *** denote the rejection of the null hypothesis at the 1%, 5%, and 10% significance levels respectively		

Source: Prepared by the Authors based on the Results of the Eviews Software

If we consider Certirus paribus, Table 5 above shows us that in both the short and long run, Ghana's stock market has a negative and significant effect on BRVM while Nigeria's has positive and significant effects on it. However, in the long run, all coefficients become increasingly significant, i.e. they are all significant at the 1% significance level.

The speed of adjustment towards the equilibrium fulfilled the condition of the validation of the error correction model (RESID (-1)), i.e. it is negative and significant at the 5% threshold. It means that following a shock, the response variable of the BRVM stock market regains its equilibrium according to the frequency of 27.4 %. In other words, following a shock, the structural variables explain the BRVM's market capitalisation by 27.4% in the long term, and that the shock is completely resolved after 4 years (1/0.274=3.649).

IV. Conclusion

The objective of this paper is to analyze the dynamics of stock market integration in the ECOWAS region. This relationship has been widely studied in the

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economic literature. In fact, it is clear that the stock markets in the ECOWAS region are fully integrated and show potential for portfolio diversification and anomaly. To analyze this relationship, we tested three cointegration estimators [FMOLS], [DOLS], and [CCR], and the error correction model (ECM) over the period 1993-2020. The results of the study show that Ghana and Nigeria, two capital markets, are linked to the WAEMU stock market. This means that foreign investors are less likely to diversify their portfolios and make money in the long run by investing in these economies. Specifically, it suggests that over time, and due to the proximity of the stock markets, the evolution of the Ghanaian stock market will confuse investors who will have choices between investing in Ghana or in the WAEMU zone. It is therefore appropriate for economic policymakers to take into account the proximity between stock exchanges in order to reduce the adverse effects of one on the other. As a policy implication, this study underlines that it would be wise for investors to take this interdependence into account before taking any action in the WAEMU market in order to make their assets profitable.

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Study of Artisanal Açaí Beater under the Light of Institutionalist Theory: An Integrative Review

By Dr. José Luiz Nunes Fernandes

Abstract- In the North region of Brazil, the economic and social significance of the artisanal açaí whisking activity cannot be contested, a reality that instigates research. In this context, the objective of studying and better knowing the activity of the scout under the precepts of the Institutionalist Theory emerged. In order to reach the established purpose, an Exploratory Research type was adopted with a bias of Integrative Review of the theoretical framework underlying the Institutionalist Theory. As a result, it is understood that it is possible to infer that the Institutionalist Theory and its evolution makes it possible to homogeneously support not only studies focused on objects in the form of companies, enterprises, organizations and correlates, thus generating a *framework* and, as a consequence, common deliverables for each object.

Keywords: *institutionalist theory, integrative review, handmade acai whisk.*

GJMBR-B Classification: *LCC: HD45-45.2*



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I. Introduction

The uniqueness of the artisanal açaí whisk is highlighted by Silva (2017), when he says that the existence of "acai spots" is a unique invention of the population of Belém, which completely depends on the local habit of consuming the pulp of the fruit as a basic meal, Furthermore, the numerical significance of these micro-entrepreneurs instigates studies, so that the phenomenon is highlighted by Costa (2017), when he expresses that only in the city of Belém, capital of the State of Pará, there are more than 3 thousand scouts. Araújo (2017) complements by expressing that from an economic point of view, the açaí fruit is representative in the local, national and international scenario.

Costa (2017) says that small businesses, as a structural foundation, understanding them as a reality compatible with capitalist development and the accumulation process, overcomes the traditional Marxist vision for which the process of concentration and centralization is linear and irrevocable. Micro and small businesses offer a significant contribution to the Pará and Brazilian economy, as in addition to the production of goods and services absorbing a considerable amount of labor, they also stimulate competition combined with the capacity for innovation and growth potential (ARAÚJO, 2017).

Gala (2017, p.109) goes on to say that "the key to the economic problem is not technological advancement or capital accumulation, but the rules or institutional arrangements that encourage or inhibit activities". Not only... but also companies, such as the micro-entrepreneur that beats açaí, can be studied under the concepts of Institutionalist Theory, as Hodgson (1985, p.134) says, when he expresses that "beginning with a definition of institutions as a system of socially rooted rules, it is evident that companies are a special type of institution, with additional characteristics".

Already Hindess (1989, p. 89) treats organizations as social actors, when he says that "organizations can be treated as social actors as long as they have the means to reach decisions and act in some of them". Coleman (1982) complements when he says that the criteria that sometimes allow us to treat organizations as actors require an understanding of organizations as social systems that have limits and rules. Yes, companies are institutions, as they are groups that have a code of ethics and corporate governance rules, in addition to acting collectively for a common objective, namely: profit and growth (FIANI, 2011).

To methodologically support this research, the understanding of Souza, Silva and Carvalho (2010) is expressed, when they say that the integrative review is a method that provides the synthesis of knowledge and the incorporation of the applicability of results of significant studies in practice. It is therefore summarized that the integrative review emerges as a methodology that provides the synthesis of knowledge and the incorporation of the applicability of results of significant studies in practice.

In the aforementioned context, the following guiding question arose for this research: *How does the Institutional Theory contribute to a better understanding of the practical activities of the açaí whisk?* As well as the objective of studying and better knowing the activity of the scout under the precepts of the Institutionalist Theory.

The research carried out by Kuznets (1986), which sought to discuss Institutionalism in different economic periods with their own characteristics throughout history, such as the feudal period, the great navigations, etc. the dynamics of growth during those historic moments comprised not only the cumulative effects of new knowledge, but also the effects of the new institutions created by them.

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Also noteworthy is the work of researcher John Burns (2000), who carried out synergistic research on Institutional Theory and Accounting. The result evidenced the existence of spaces left by the classic works, in a perspective of different institutional environments.

It is expected that this research will be a kind of *framework* which, through a logical and growing conceptual structure, allows the homogeneous study of different business objects and, with this, predefine common deliverables for each object.

II. Theoretical Framework

a) *The Institutionalist Theory*

In the 1890s, the United States of America (USA), due to rapid industrialization, received the first research and subsequent publications from institutionalists Thorstein. Veblen and John R. Commons. Perhaps the most obvious justification for these studies is the decline in the relative importance of agriculture in the American economy and society (MAYHEW, 1972). The phenomenon that did not go unnoticed by economists and sociologists was the emergence of a new company that replaced the industrial company with a single plant and a single product and managed by a single individual (COATS, 1954).

Parallel to this, there was the growth of new forms of banking activities, greater importance of the external investor to the company, new forms of competition, higher operational costs and worthy of studies, control and management, and also, larger markets (MAYHEW, 1972). The works of Veblen and Commons, when they described the emerging social and economic consequences of the industrialization of the United States, broke with traditional economic thinking and supported the new social science that emerged impacting the world in the economic and social aspect (MAYHEW, 1972).

The emergence of institutions occurs when people's way of thinking becomes ingrained in such a way that it shapes the behavior pattern of these or the members of a group or society (HODGSON, 1985). Therefore, institutions emerge in the course of the historical process of social coexistence, establish unique behavioral bases for a group of people and, in this way, bring together thoughts and behaviors recognized as correct and acceptable (VIANO, 2009).

In this circumstance, the use of the terminology "institution" became widespread in the social sciences and reflects the growth of Institutional Economics when observing the presence of this concept in several other disciplines such as: philosophy, sociology, politics and geography (HODGSON, 1985). North (2018, p. s s13) explains that "the notion that institutions affect the performance of economies is uncontroversial. The notion that the differential performance of economies over time is fundamentally influenced by the way in which institutions evolve".

It follows that, in order to provide a better understanding of what institutions are, Fiani (2011, p. 3) brought together some definitions originating from the perceptions of different authors and expressed that each one illuminates a different aspect:

1. "It is man-made constraints that shape human interaction. As a result, they structure incentives in the exchange between men, whether political, social or economic" (NORTH, 2018, p.3);
2. "(...) an institution will be defined as a set of formal and informal rules, including the arrangements that guarantee its obedience" (FURUBOTN; RICHTER, 1986, p.6);
3. "Institutions are human relationships that structure opportunities through constraints and capabilities" (SCHMID, 2004, p.1).

For the same reason and without the intention of exhausting them, different but complementary understandings externalized by North (2018) about institutions are cited: (i) they are the rules of the game of a society; (ii) they reduce uncertainty by giving structure to everyday life; (iii) encompass any forms of constraint that human beings engender to shape human interaction and these creations can be both formal and informal; (iv) affect the performance of the economy through their effect on transaction and transformation costs; and (v) reduce uncertainties by establishing a stable, but not necessarily efficient, framework for human interaction.

Item (iii) of the understandings expressed by North (2018) deals with the formality and informality of institutions, it is clear that the açaí whisk, object of this research, is not always acting formally or as a legal entity under the protection of a National Registry of Legal Entities (CNPJ), which does not diminish its relevance in the economic and social context of the northern region of Brazil (ARAÚJO, 2017; FURTADO et al., 2020). In this conception, and regarding the formality or otherwise of institutions, Mantzavinos (2001, p. 84) says that "formal institutions impose obedience through the law, while informal institutions do not need the State to impose obedience". Following, it is possible to highlight some understandings contrary to the Institutionalist Theory, these especially in relation to the initial moment:

1. The absence of a theoretical analytical field and a positive research agenda condemned, in the post-1930s, Institutionalism to ostracism and oblivion (WILLIAMSON, 1991);
2. The work of American Institutionalism had nothing to pass on, except a mass of descriptive material waiting for a theory or the bonfire (NELSON, 1995);

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3. Institutionalism is nothing more than a tenuous dissidence from economic orthodoxy (SAMUELS, 1995);
4. It would be up to Institutional Economics to satisfy the theoretical demand for a general description of how the economic order relates to the economic phenomena related to the relationship between industry and human well-being (CONCEIÇÃO, 2000).

Criticism inhibited intellectual production and led the Institutionalist School to a ten-year lethargy (CONCEIÇÃO, 2000). In place of "naive empiricism", descriptive and theoretical historicist, the foundations of what was called New Institutional Economics (NEI) emerged as an opposition and complementation to the theoretically empty legacy of the "old institutional economy", but a field that absorbed institutions in a different way. operationally and methodologically adequate (MYRDAL, 1984).

With a position that does not fully agree with the previous author, Fiani (2011) says that what is conventionally called old and new economic institutionalism, when applied to the two schools, should not be understood as meaning respectively "obsolete" and "modern", but they only concern the fact that the old has historical precedence over the new Institutionalism.

i. *The New Institutionalist Theory*

In that context, research on the New Institutional Theory (NEI) emerged, which can be studied under two aspects: (i) institutional environment that deals with macro institutions such as the legislation that regulates a country; and (ii) governance institutions that study micro institutions as the internal regulations of a company (CALEMAN et al., 2006). It is understood that this research is focused on the second aspect when it aims to understand how the Institutional Theory explains the practical activities of the artisanal açaí whisk.

It is noteworthy that the precursors of the research underlying the NEI were Ronald Coase, Douglass North, Elinor Ostrom and Oliver Williamson, all recognized and awarded at different times with the Nobel Prize in Economics. In this conjunction, the basis for the institutionalist proposal was the reading that these authors made of the success of Western economies, especially Western Europe and the United States (GALA, 2017).

The NEI differs from traditional economic theory, because while the latter seeks to determine the optimal allocation of resources, given a certain set of economic organizations such as the family, firm and market, the NEI aims to identify the best way of organizing transactions. economic, whose configuration changes the initial conditions for the allocation of resources (GUEDES, 2000).

NEI is based on neoclassical concepts and studies institutions under a theoretical approach underlying institutional arrangements and competetiveness, where management is disciplined by the competitiveness present in the markets (COASE 1937; WILLIAMSON, 1992; ANKARLOO; PALERMO, 2004; GUERREIRO et al., 2005). Therefore, it is possible to infer that the points of production and sale of açaí wine are institutional arrangements that compete with each other in the search for cost and price practices that satisfy customer needs, therefore, they are competitive arrangements.

It is possible to show that the microeconomic aspects fundamentally constitute the object of the NEI, as well as its theoretical basis is the unconventional firm added to the *mix* of history and industrial organizations. The success and merits of this school of thought are highlighted by Conceição (2000):

1. They made possible relevant theoretical changes, such as a new analytical treatment of the theory of firms without the optimizing principle as a survival strategy;
2. It brought new links to the continuity strategy;
3. It encouraged differentiated behavior of agents, sometimes as imitators, sometimes innovators, sometimes as refractory to changes;
4. It established new canons for the understanding of economic development from the construction of formal and informal rules that over time start to guide institutional changes, these are the real responsible for the country's performance.

The NEI was not exempt from criticism, Conceição (2000) says that its propositions come up against the analytical limitation of taking the whole for the parts, that is, it implicitly considers that individuals acting rationally, even under limited rationality, and regulating market dysfunctions, are able to ensure efficiency by minimizing transaction costs.

Taking stock of what has been discussed so far and to close this debate, it should also be said that Zylbersztajn and Graça (2002) summarize that some of the criticisms of the NEI have their origin in the apparent impossibility and difficulty of ascertaining transaction costs. In this sense, the Transaction Cost Theory (TCT) is considered an appendix of the NEI.

Furthermore, the justification for the study of TCT in this research is also given by the fact that transaction costs are the expression of the effect of institutions on the functioning of the economy (FIANI, 2011). Thus, when considered relevant for this research, it is highlighted that the main point of the organization of the economy, having transaction costs as a theoretical framework, results in the minimization of transaction and transformation costs. Therefore, managing costs and contributing to the competitiveness of companies are also objectives that arise from the studies and

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applications of TCT, in addition and from this point of view, the transaction becomes the central unit of analysis of the theory of economic organization (THIELMANN, 2013).

ii. *The Theory of Transaction Cost*

The development of the theme is due to the fact that TCT is part of the disciplinary field of the economics of organizations and, for this reason, the study interest is in the firms and the aspects related to the duality of organizations and their consequent competition. Additionally, the continuity of firms is also of interest to the economy of organizations (BARNEY; HESTERLY, 2014).

The precursor work developed by Wallis and North (1986) was related to the analysis of transaction costs values existing in the USA in the period from 1870 to 1970 (BENHAM; BENHAM, 1998). Research by Zylbersztajn and Graça (2002) is also identified, who sought to determine the cost of opening new firms in the clothing sector in Brazil. The work of Benham and Benham (2004), likewise, stands out in the proposal to measure the transaction cost from the opportunity cost.

Regarding Transaction Cost Economics addressed by this research, the guiding question is: why do firms exist? This makes sense, especially in the context of neoclassical microeconomic theory (BARNEY; HESTERLY, 2014). To answer this seemingly simple question, it is necessary to go back in time. Classical and neoclassical economic theories, based on the understandings of Adam Smith, establish that the market has the ability to coordinate production and carry out economic transactions at a much lower cost and without the participation of the government (BARNEY; HESTERLY, 2014).

Smith's guiding idea, when publishing the classic work called “The Wealth of Nations”, was that the “invisible hand” of the market could coordinate a decentralized system of prices. In this condition, Coase (1937) asks the following question: if the market is so efficient to coordinate economic transactions, why does it not manage all transactions, otherwise, why would there be transactions managed by firms? When, in 1937, Coase published the article entitled “The nature of the firm” and answered why firms exist by saying that the reason is due to the fact that sometimes the cost of managing economic transactions through markets is greater than the cost of managing the same transactions within the limits of a company. Therefore, the cost of using the price system involves activities such as finding what the prices are, (re)negotiating contracts, monitoring and resolving conflicts, that is, transaction costs. Wang (2003) explains that transaction costs, in the original formulation by Coase (1937), deal with the cost of using price mechanisms, otherwise, the cost of carrying out a transaction through an exchange with the market.

As for the concept of Transaction Cost initially developed by Ronald Coase, Fiani (2011) is critical of the concept, expressing that it only considers the costs that result from the coordination of economic activity carried out by the market and disregards other forms of organizing. The economy, continues Fiani (2011), that it is necessary to clarify in which situation markets provide the best solution to promote a transaction, and in which situation this does not occur.

Fiane (2011) argues that in order to produce goods or services, transactions are inevitably incurred and, even after the good is produced, there are other transactions such as hiring transporters, distributors, sales establishments, etc. If this does not occur, the good will not reach the consumer. It is necessary to consider that these contracts incur costs and these are the transaction costs necessary for the production of the good.

The literature on the Theory of Transaction Costs (TCT) also focuses on the theme under the foundation of governance mechanisms, thus studying how institutions make it possible to generate income from the interdependence between individuals and companies. In view of this, the TCT has a special focus on choosing the economic institution based on explicit assumptions. Although TCT scholars confirm these assumptions, there are differences in their ways of understanding, especially in the way they build models and how organizational methods are described and applied (HENNART, 2006).

iii. *Theory of Transaction Costs in Williamson's version and from the perspective of Hennart (2006)*

Williamson's version (1991) will then be described, which, for the author, has three governance structures: (i) the market; (ii) hybrids and; (iii) hierarchy and these are called “governance mechanisms”. Table 1 then summarizes Hennart's (2006) understanding of the governance structures argued by Williamson.

Table 1: Governance Structure in Williamson's Version

Governance Mechanisms	Characteristics of the Mechanisms	Characteristics of Transactions	Preferable
Market	The identity of the parties is irrelevant; transactions are governed by formal terms, so they are enforced by legal means.	**Asset specifics** High asset specificity increases switching costs and enables the more flexible part explore another less	Asset specificity is low and uncertainty is high.

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		flexible. Thus transactions with the specificity of Low assets will be operationalized by markets, those with medium asset specificity by hybrids and those with high asset specificity by firm.	
Hybrid	The identity of the parties is of greater importance and is supported by neoclassical contractual law, which is more adaptable, thus favoring conflict resolution.	**Uncertainty** It does not matter when asset specificity is low. Parties can absorb unexpected changes in the environment changing partners.	Asset specifics and uncertainty are at intermediate levels.
Hierarchy	It has a greater adaptive property as it can resolve conflicts through sanctions.	**Frequency** Paid by those who carry out the transactions which makes it cost effective only for recurring transactions.	Asset specificity and uncertainty are high.

Source: Adapted from Williamson (1991) and Hennart (2006)

It is therefore summarized that hierarchical governance is preferable when asset specificity and uncertainty are high; market governance when asset specificity is low and uncertainty is high. For hybrids when asset specificities and uncertainty are at intermediate levels (HENNART, 2006).

iv. *Understandings of Fiani (2011) on Williamson's version: modern approach to institutions and governance structures*

The governance structure is composed of a set of rules which provide the foundation for transactions to develop, specifying, in this way, which agents are involved in a transaction, object and objective and what kind of changes there may be between agents in the transaction. development of transactions (FIANI, 2011). Table 2 intends to describe, from the point of view of Fiani (2011), the main characteristics of the three governance models pointed out by Williamson (1991).

Table 2: Attributes of Governance Structures

Attributes	Governance Structures		
	Market	Hybrids	Hierarchies
Incentives	Strong	Moderates	Absent
Administrative Controls	Absent	Moderates	Strong
Autonomous Adaptation	Strong	Moderate	Absent
Coordinated Adaptation	Absent	Moderate	Strong

Source: Adapted from Williamson (1996) and Fiani (2011)

Table 3 will then summarize in greater detail the governance structure underlying Fiani's (2011) understandings.

Table 3: Governance Structure in the understanding of Fiani (2011)

Types of Governance	**Specialized**: assets with a high degree of specialization
	Non-Specialized: no need for specific assets
Asset Specificity Source	**Location**: given the location, the asset's value is conditioned to it
	Physical Attributes: Individualized in relation to others
	Dedicated Assets: The investment is tied to a specific future demand
	Human assets: learning by doing and teamwork
General Types of Governance	**Market**: ideal for transactions without specific assets, in addition to not having specific rules for certain transactions, as there are no administrative controls
	Hierarchy: presence of specific assets, decisions take place in a hierarchy scenario, presence of strong administrative controls, absent incentives and higher costs

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	Hybrid: presence of incentive instruments, as well as administrative control instruments and enables both autonomous and coordinated adaptation

Source: Adapted from Williamson (1991) and Fiani (2011)

Table 3 shows a greater understanding of Fiani (2011) regarding the governance structure advocated by Williamson (1991), so that the author expands by expressing that the types of governance can be, in relation to assets: specialized and non-specialized; in terms of asset specificity: location, physical attributes, dedicated assets and, finally, human assets. As for the general types of governance, both Hennart (2006) and Fiani (2011) are unanimous in recognizing the types: market, hierarchy and hybrids.

Alchian and Demsetz (1972) are identified, where they understand that measurement problems are a function of production teams. Thus, some transactions are more recurrent than others, so that the problem of transaction costs falls on less frequent transactions, which are generally more complex (LOPES; ALMEIDA; FREITAG, 2021).

We return to the thought initially developed by Coase (1937), when he highlights the challenge of measurement or measurement in which he seeks to explain the existence of firms. From this angle and as attributes are transacted about which there is not full information, transaction and measurement costs become an important component to be considered (CALEMAN et al., 2006).

v. *The Theory of Measurement Cost*

The challenge of measuring transaction costs is also highlighted by Zylbersztajn and Graça (2002), when they understand that the measurement of transaction costs represents a *gap* in TCT when they identify there is difficulty in effectively raising the costs of a transaction. Based on the Theory of Measurement Costs (TCM), a field of research that concerns the development of complementary theoretical models to TCT (WANG, 2003) is opened.

Notwithstanding the difficulties, the measurement of transaction costs becomes relevant as it allows specific studies on the impact generated by institutional changes, in addition to the firm's gains from choosing the best strategic options (WANG, 2003). TCM represents an appendix to the larger theory called TCT and, in this understanding, Zylbersztajn and Graça (2002, p.22) state that the "Theory of Measurement Costs gives rise to a set of implications in traditional TCT concepts. In this circumstance, it is worth mentioning the emphasis expressed by Wang (2003), when he highlights the phrase by Lord Kelvin inscribed in the Social Sciences building at the University of Chicago: "When you cannot measure, your knowledge is scarce and unsatisfactory".

The understandings of Cunha, Saes and Mainville (2013) deserve attention when they say that, in theoretical terms, forms of governance are analyzed by the economics of transaction costs under two aspects: (i) the proposal by Williamson (1985), previously studied and that prioritizes the discussion of transaction attributes such as frequency, asset specificities and uncertainties and; (ii) Barzel's (2002) approach, which analyzes the difficulty of measuring the relevant attributes of transactions due to information asymmetry.

Wang (2003) recognizes that the problem of measuring transaction costs, like any measurement problem in economics, is not simple. The main methods of measuring transaction costs presented in the studies by Wang (2003) are: (i) sum of the value of the resources needed to locate possible partners and to carry out transactions; (ii) difference between the price paid by the buyer and the price received by the seller; (iii) negotiation and transaction guarantee costs; and (iv) costs of government regulation.

By proposing the methodological foundation of this work through an integrative review, the intention was to provide a synthesis of knowledge and incorporate it into the applicability of the result in the practice of the artisanal açaí beater, certainly externalizing the activity of the beater is necessary.

b) The Activities of Artisanal Açaí Whisk

Based on the understandings of Gala (2017, p.109), when he says that "certain societies remain poor because they have not developed a basis of rules, laws and customs capable of stimulating economically productive activities, with the accumulation of capital and knowledge. The fundamental concept for understanding prosperity and economic development, in Douglas North's proposal, is that of efficient institutions". In this sense, the work evolves when it seeks to externalize the activity of the artisanal açaí whisk.

i. *The Artisanal Açaí Whisk*

It is necessary to consider that the açaí produced in the Brazilian Amazon on dry land or in a floodable area is a natural and regional product whose production is not replicated with the same effectiveness in other lands of the planet (COSTA, 2012). In this scenario, scarcity arises and thus açaí holds a natural non-ubiquity, so açaíis attributed as a product that attributes a sophisticated productive fabric to the Amazon (GALA, 2017).

The açaí whisk operates at a fixed point of production and sale. These micro-entrepreneurs who work in artisanal açaí points, and are small establishments located in the most diverse

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municipalities in the state of Pará and in the Amazon, which buy the natural product from intermediaries and in the form of seeds and sell the pulp or processed wine by the liter measure. directly to the consumer (ARAÚJO, 2017).

Açaí whisks are mainly found in the peripheral regions of Belém, being identified with red plates and white letters (VELOSO, 2021). These work in productive units made up of micro and small family businesses (FURTADO et al., 2020). This micro-entrepreneur has some characteristics identified by Araújo (2017): (i) most of them are business owners; (ii) most purchase the fruit at the Açaí Fair; (iii) they have an average of 2 workers per point and; (iii) trust is present in socio-economic relationships.

ii. *Activities that Stand Out in the Artisanal Production of Açaí*

The açaí mixer is a small pulp processing unit that directly serves local consumption and the wishes of the final consumer. It is possible to abstract that the açaí scrambling production units have a hybrid structure, thus, if on the one hand they are peasant companies in view of the centrality of decisions being based on the family and also on the intensity of use of the work capacity they have, on the other hand they have the characteristic of an employer company, in which part of the workers are salaried workers (COSTA, 2016). That said, the açaí whisk, regarding the characteristics of his work, are highlighted by Ribeiro (2016) as:

1. The relationship with customers and suppliers is based, as a rule, on trust;
2. It is a family activity and, to a large extent, carried out on the geographical fronts of the residences;
3. It is a type of autonomous work;
4. The sale is often carried out around 12:00, as there is a habit of the customer consuming wine as a complement to lunch;
5. Working hours can reach, in some points, up to 18 uninterrupted hours of sales;
6. The production process begins with the acquisition of fruit at fairs or ports where the following stand out: Feira do Açaí, Porto do Açaí - located in the Jurunasneighbourhood, Porto da Palha and Porto da Vila de Icoaraci. Then it passes through the production of wine carried out in a mixer machine powered by electricity and finalized with the sale to the final consumer;
7. The measure used in the sale of wine is the liter (*l*);
8. The influence of the price occurs due to the seasonality of the production of the fruit, so in the winter season in the Amazon the fruit becomes scarce and the price increases and the opposite occurs in the summer, season that goes from June to the end of November and beginning of December;
9. At the same time, supermarkets in the capital of Pará also started selling açaí wine to the final consumer;
10. Work, in some places, is uninterrupted, that is, from Monday to Monday and there is no day off on Sundays or holidays.

Furtado et al., (2020) also highlight characteristics of this artisanal entrepreneur:

1. The exercise of the activity by the scout, in the majority, reaches more than 30 years of continuous work;
2. Few participate or have participated in a recycling course focused on the production process;
3. These artisanal scouts saw a unique opportunity to undertake and have significant returns on investment;
4. Most of them work informally, so they do not work in the federal government program called Individual Microentrepreneur (MEI) and, therefore, do not have the National Register of Legal Entities (CNPJ);
5. And the production and sale of açaí wine is the only source of income for the family.
6. The logical construction of the research, carried out largely through an integrative review, will then be outlined or described in a broader dimension.

III. Methodological Process

In relation to the general objectives, especially in the search to identify how the Institutionalist Theory and its natural development allows the understanding of the activities of the artisanal açaí whisk, therefore, with the purpose of making it more explicit is that this research is classified as Exploratory Research. Gil (2010, p. 27) explains that exploratory research in relation to its planning "tends to be quite flexible, as it is interesting to consider the most varied aspects related to the phenomenon studied and generally involves a bibliographic survey".

Still in relation to the theoretical approach and the techniques of data collection and analysis, this one, because it is based on material already published, underlying the Institutional Theory and the natural evolution, has a bibliographic bias. For the survey of articles in the literature, a wide search was carried out, but it is possible to highlight the Portal of Periodicals of the Coordination for the Improvement of Higher Education Personnel, the CAPES Periodical recognized as one of the largest virtual scientific collections in the country.

On the other hand, it is relevant, in the structure of this investigation, to know the açaí whisk in *the* workplace, before this we are facing what Souza, Silva and Carvalho (2010) call an integrative review. The authors explain that:

> Due to the growing amount and complexity of information in the business area, it has become

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essential to develop devices, in the context of scientifically based research, capable of delimiting more concise methodological steps and providing professionals with better use of the elucidated evidence. In numerous studies. In this scenario, the integrative review emerges as a methodology that provides the synthesis of knowledge and the incorporation of the applicability of results of significant studies in practice.

The work evolves in the sense of analyzing the results when it seeks to identify the foundations of the Institutionalist Theory underlying the activity of the artisanal açaí whisk.

IV. Results Analysis

a) The Açaí Micro-Entrepreneur and the Institutionalist Theory: Regarding Formality

These micro-entrepreneurs, producers and sellers of açaí wine, carry out their professional activities at a fixed point in front of their homes, but in an informal way. Most work informally, so they do not work in the federal government program called Individual Microentrepreneur (MEI) and, therefore, do not have the National Register of Legal Entities (CNPJ) (ARAÚJO 2017; FURTADO et al., 2020; VELOSO). 2021).

These are institutions, regardless of formalization. Hodgson (1985) explains that the emergence of institutions occurs when people's way of thinking becomes ingrained in such a way that it shapes the behavior pattern of these or the members of a group or society. Viano (2009) adds that institutions emerge in the course of the historical process of social coexistence, establish unique behavioral bases for a group of people and, in this way, bring together thoughts and behaviors recognized as correct and acceptable.

Furthermore, as stated, formality is not a key point to characterize the artisanal scout as an institution or company, so North (2018) explains that an institution encompasses any forms of restriction that human beings engender to shape human interaction and these creations can be formal and informal.

b) The Açaí Micro-Entrepreneur and the New Institutionalist Theory

It was identified that the micro-entrepreneur açaí beater are small establishments that operate in productive units constituted by micro and small family businesses located in the most diverse municipalities of the state of Pará and the Amazon, found mainly in the peripheral regions of Belém, being identified with red plates and white letters, which buy the natural product from intermediaries and in the form of lumps and sell the pulp or processed wine by the liter measure directly to the consumer (ARAÚJO, 2017; FURTADO et al., 2020; VELOSO, 2021).

The scenario described above is fully conducive to the conceptual foundation of the NEI, especially when Guedes (2000) says that the NEI differs from traditional economic theory, because while the latter seeks to determine the optimal allocation of resources, given a certain set of economic organizations like the family, firm and market, the NEI aims to identify the best way to organize economic transactions, whose configuration changes the initial conditions for the allocation of resources.

It is added that the NEI is based on neoclassical concepts and studies institutions under a theoretical approach underlying institutional arrangements and is disciplined by the competitiveness present in the markets. Therefore, it appears that the points of production and sale of açaí wine are institutional arrangements that compete with each other in the search for cost and price practices that satisfy customer needs, therefore, they are competitive arrangements (COASE 1937; WILLIAMSON, 1992; ANKARLOO; PALERMO, 2004; GUERREIRO et al., 2005).

c) The Açaí Micro-Entrepreneur and the Theory of Transaction Costs

The micro-entrepreneurs who produce and sell açaí wine work in production units made up of micro and small family businesses, they are found mainly in the peripheral regions of Belém, being identified with red plates and white letters, they buy the natural product from intermediaries and in the form of lumps and they sell the pulp or processed wine by the liter measure directly to the consumer (ARAÚJO, 2017; FURTADO et al., 2020; VELOSO, 2021).

Given the context of the previous paragraph, Fiane (2011) argues that to produce goods or services, transactions are inevitably incurred and, even after the good is produced, there are other transactions such as the hiring of transporters, distributors, sales establishments, etc. If this is not the good occurs will not reach the consumer. It is necessary to consider that these contracts incur costs and these are the transaction costs necessary for the production of the good. Therefore, in the activity of production and sale of açaí wine, transaction costs are present.

d) The Açaí Micro-Entrepreneur, the Theory of Transaction Costs and Governance Structures

It is identified that the açaí scouts: (i) are mostly business owners; (ii) most purchase the fruit at the Açaí Fair; (iii) they have an average of 2 workers per point and; (iv) trust is present in socio-economic relationships; (v) it is a small pulp processing unit that serves local consumption and directly the wishes of the final consumer; (vi) it is a family activity and, to a large extent, carried out on the geographic fronts of the residences; (vii) is a type of self-employed work; (viii) the influence on the price occurs due to the seasonality of the fruit production, so in the winter season in the Amazon the

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fruit becomes scarce and the price increases and the opposite occurs in the summer, season that goes from June to the end of November and beginning of December; (ix) at the same time, supermarkets in the capital of Pará also started selling açaí wine to the final consumer; (x) these scouts saw a unique opportunity to undertake and have significant returns on investment (COSTA, 2016; RIBEIRO, 2016; ARAÚJO, 2017; FURTADO et al., 2020; VELOSO, 2021).

Based on the identifications in the previous paragraph, it is possible to abstract that, in relation to the governance structures present in the activities of production and sale of açaí argued by Williamson (1991), both in the view of Hennart (2006) and in that of Fiani (2011) the market stands out for the following factors:

1. There is no need for specific or specialized assets, since once the location is determined, the asset is conditioned to it;
2. Ideal for transactions without specific assets, in addition to not having specific rules for certain transactions, there are also no administrative controls;
3. Incentives for production and sale are strong, as the activity, for the most part, is the only source of income for families; there are no effective administrative controls; the adaptation to the scout and auxiliary activity is strong and the general coordination of activities is not so present.

e) The Açaí Micro-Entrepreneur and the Theory of Measurement Costs

The study by Furtado et al. (2020) is noteworthy, when it highlights the longevity in the activity of some açaí scouts. In addition, they see an opportunity to obtain returns on the investment made and this requires measurements. Allied to this, Ribeiro (2016) alerts to the fact that the present competitiveness through the performance of companies with greater financial and equity structure such as supermarkets, also requires management combined with the measurement of economic facts.

Zylbersztajn and Graça (2002, p. 22) state that the "Theory of Measurement Costs gives rise to a set of implications in the traditional concepts of TCT. Wang (2003) enters the discussion when he says that the measurement of transaction costs becomes relevant as it allows specific studies on the impact generated by institutional changes, in addition to the firm's gains from choosing the best strategic options.

f) Summary of the Integrative Review

The theoretical knowledge of the research and the applicability of the results in the practical studies of the artisanal açaí whisk are synthesized when based on the Institutionalist Theory and its evolution.

Açaí wine work largely informally, they are recognized as institutions and under this umbrella they can be studied . the pattern of behavior of these or the members of a group or society so that institutions arise in the course of the historical process of social coexistence, establish unique behavioral bases for a group of people and, in this way, bring together thoughts and behaviors recognized as correct and acceptable (HODGSON 1985; VIANO, 2009).

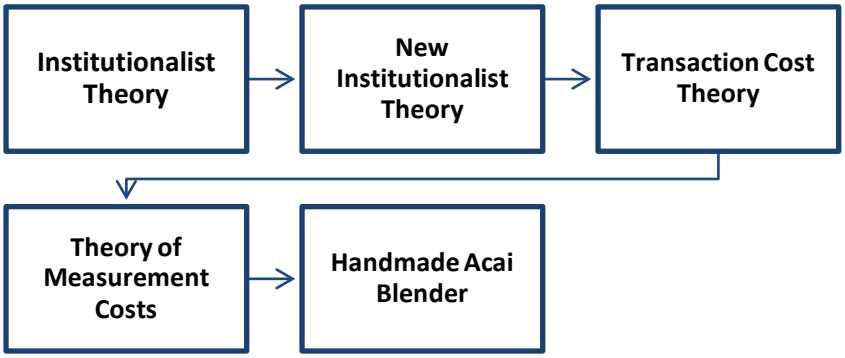
By identifying the micro-entrepreneur who tapped açaí, acting as small establishments formed by productive units constituted by micro and small family businesses (ARAÚJO, 2017; FURTADO et al., 2020; VELOSO, 2021). A scenario in which an opportunity for empirical study based on the NEI arises, since this differs from the traditional economic theory, as the NEI aims to identify the best way of organizing economic transactions, whose configuration changes the initial conditions for the allocation of resources (Guedes, 2000).

The micro-entrepreneur that produces açaí wine, when formed by productive units made up of micro and small family businesses (ARAÚJO, 2017; FURTADO et al., 2020; VELOSO, 2021) it is possible to resort to Fiane (2011), when he understands that to produce goods or services, transactions are inevitably incurred and, even after the good is produced, there are other transactions such as the contracting of transporters, distributors, sales establishments, etc.. Thus, it is necessary to consider that these contracts incur costs and these are the necessary transaction costs for the production of the good.

As for the governance structures present in the artisanal açaí whisk segment and identified in a way underlying the studies by Williamson (1991), there is a predominance of the so-called Market Structure. This is mainly due to the lack of specific assets as well as the lack of strict controls (HENNART, 2006; FIANI, 2011).

The performance of these entrepreneurs working with açaí in the form of small companies and, when generating expectation of returns on investments added there is a need to be competitive, makes us turn to Wang (2003), when he says that the measurement of transaction costs becomes if relevant as it allows specific studies on the impact generated by institutional changes, in addition to the firm's gains from choosing the best strategic options. It ends through Figure 1, which intends to demonstrate the virtuous circle of theoretical knowledge and the applicability of the results in the practical studies of the artisanal açaí whisk when based on the Institutionalist Theory.

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Source: Prepared by the Authors (2022).

Figure 1: Synthesis of Methodologies Underlying the Integrative Review

V. Conclusion

This research was carried out with the purpose of studying and better knowing the activity of the açaí whisk under the precepts of the Institutionalist Theory. To achieve the proposed objective, an exploratory methodology was adopted with a bias underlying the integrative review that, through the synthesis of knowledge, incorporates the applicability of results from significant studies in practice.

was also created that the research would become a kind of *framework* which, through a logical and growing conceptual structure, would enable the homogeneous study of different business objects and, with this, pre-define common deliverables for each object.

The result makes it possible to express that the logical and growing sequence of the Institutionalist Theory when advancing to the foundations of the New Institutionalist Theory added and complemented by the Transaction and Measurement Cost Theory having the artisanal açaí whisk as its object, allows for a better understanding of the proposed practical object.

In view of the established purpose, it is understood that the initial expectation was reached, since it is possible to infer that the Institutionalist Theory and its evolution makes it possible to homogeneously base studies aimed at objects in the form of companies, enterprises, organizations and correlates, thus generating common deliverables for each object.

As a limitation, it is possible to highlight the absence of more than one empirical object studied and not only the artisanal açaí whisk, since it is understood that with greater empirical amplitude the result would also be more robust. In view of the previous understanding, new research with another object of study is suggested, in an effort to verify if the result found is equal to that found in this seminal research.

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Real Estate Business of Foreign Investors under Vietnam Law

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Summary- Restate business is increasingly expanding and gradually meeting the diverse needs of customers with real estate needs. This expansion also creates fierce competition in the market not only in terms of price but also in quality. The real estate business environment has made great progress, creating a transparent and clear legal environment, thereby helping the real estate industry to make great strides. Along with the development of the real estate industry, more and more companies were established, new types of real estate business appeared, the Law on Real Estate Business began to have many limitations and inadequacies in the process. Adjust the law on real estate business conditions. Money laundering in real estate business should be prevented and prevented. The article studies the real estate business of foreign investors in accordance with Vietnamese law and proposes recommendations to improve the law on real estate business of foreign investors in Vietnam.

Keywords: law, real estate business conditions, foreign investors.

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Summary- Restate business is increasingly expanding and gradually meeting the diverse needs of customers with real estate needs. This expansion also creates fierce competition in the market not only in terms of price but also in quality. The real estate business environment has made great progress, creating a transparent and clear legal environment, thereby helping the real estate industry to make great strides. Along with the development of the real estate industry, more and more companies were established, new types of real estate business appeared, the Law on Real Estate Business began to have many limitations and inadequacies in the process. Adjust the law on real estate business conditions. Money laundering in real estate business should be prevented and prevented. The article studies the real estate business of foreign investors in accordance with Vietnamese law and proposes recommendations to improve the law on real estate business of foreign investors in Vietnam.

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I. Content

a) Foreign Investors when Implementing Real Estate Business Projects

Foreign investors, when implementing real estate business projects in Vietnam, must comply with the provisions of the Law on Investment, the Law on Real Estate Business, the Law on Housing and other relevant laws. Foreign investors who want to carry out real estate business projects in Vietnam must establish foreign-invested economic organizations; capital contribution, purchase of shares or capital contribution to a Vietnamese economic organization. Accordingly, the scope of real estate business of foreign investors is somewhat more limited than that of other entities. Regulations on the form of real estate business of foreign-invested enterprises include: Renting houses and construction works for sublease; For land leased by the State, it is allowed to invest in the construction of houses for lease; Investing in the construction of houses and construction works other than houses for sale, lease, or lease-purchase; Receive transfer of the whole or part of real estate project of the investor to build houses, construction works for sale, lease, lease purchase; [1] For land allocated by the State, it is allowed to invest in the construction of houses for sale, lease, or lease-purchase. For leased land in industrial parks, industrial clusters, export processing zones, hi-tech parks and economic zones, they may invest in building houses and construction works for business according to the right land use purposes.

Conditions of organizations and individuals doing real estate business must establish enterprises in accordance with the law on enterprises or cooperatives in accordance with the provisions of law. When conducting real estate business in Vietnam, foreign investors need to carry out procedures for granting Investment Registration Certificate and Business Registration Certificate in accordance with Vietnamese law. It can be understood that: Foreign investors' conditions for real estate business are those applicable to individuals with foreign nationality and the right to establish foreign-invested economic organizations; contribute capital, purchase shares, and contribute capital to Vietnamese economic organizations in accordance with Vietnamese law and are permitted to conduct real estate investment and business activities in Vietnam.

b) Real Estate Business Conditions of Foreign Investors

i. *Special Investment Incentives and Support*

According to the 2020 Investment Law on special investment incentives and support policies in Article 20, the application of special investment incentives and support aims to encourage the development of a number of investment projects that have an Major impacts on socio-economic development shall be decided by the Government and applied to the following subjects:

- New investment projects (including the expansion of such newly established projects) of innovation centers, research and development centers with a total investment capital of 3,000 billion VND or more. currently disbursing at least VND 1,000 billion within 03 years from the date of issuance of the Investment Registration Certificate or approval of investment policies; The national innovation center was established under the Prime Minister's decision.
- Investment projects in industries or trades with special investment incentives with an investment capital of VND 30,000 billion or more, disbursed at least VND 10,000 billion within 3 years from the date of issuance of the Certificate. Investment registration or approval of investment policy.

Special investment incentives and support: The level of incentives and the duration of application of

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special incentives comply with the provisions of the Law on Corporate Income Tax and the law on land. Special investment support is provided in the forms specified in Clause 1, Article 18 of the Law on Investment 2020.

The above special investment incentives and support policies do not apply to the following cases:

+ An investment project that has been granted an investment certificate, an investment registration certificate or an investment policy decision before the effective date of this Law;
+ Investment projects specified in Clause 5, Article 15 of the Law on Investment 2020.

In cases where it is necessary to encourage the development of a particularly important investment project or a special administrative-economic unit, the Government shall submit it to the National Assembly for decision on the application of investment incentives other than those specified in Clause 1 of this Article. stipulated in the Investment Law 2020 and other laws.

In addition, general regulations on conditional business lines: A conditional business line is a business line in which the implementation of business investment activities in that industry or business line must satisfy the following requirements: conditions prescribed by law. For reasons of national defense, security, social order and safety, social ethics, and health of the community, which are set and monitored by relevant regulatory authorities. A detailed list of conditional business lines in accordance with the law is prescribed in the Law on Investment 2020.

Business conditions for the above-mentioned industries and trades are specified in relevant laws, ordinances, decrees and other legal documents. At the same time, it is stipulated in international treaties to which the Socialist Republic of Vietnam is a signatory. Ministries, ministerial-level agencies, People's Councils, People's Committees at all levels, other agencies, organizations and individuals may not issue regulations on business investment conditions.

Business conditions must be set out and regulated in accordance with operational objectives, in accordance with the context of the market economy and the country's circumstances in each development stage. All regulations on business conditions must ensure publicity, transparency, objectivity and fairness for investors. The regulation of business conditions also needs to advocate the spirit of saving implementation time, saving costs and requiring compliance and coordination of investors. Avoid regulations that cause difficulties, barriers, and make it difficult for investors to conduct business in the context of Vietnam's current market opening and development.

Thus, from a general point of view, real estate business is the investment of capital to carry out construction, purchase, and transfer activities for sale or transfer; lease, sublease, lease purchase of real estate; real estate brokerage services; real estate trading floor services; Real estate consulting services or real estate management for profit purposes. This content has been detailed in the Law on Real Estate Business 2014. Thus, based on this regulation, the real estate business will include 2 basic forms:

+ Organizations and individuals doing real estate business with the object of business being real estate goods;
+ Business real estate services with business objects are real estate brokerage services, real estate consulting services, real estate management services.

Currently, according to the Investment Law 2020, real estate service business does not have legal capital requirements but needs to meet the conditions for establishing an enterprise and the conditions for personnel and facilities. Not only domestic organizations and individuals, but also Vietnamese residing abroad, foreign organizations and individuals have the right to conduct business in real estate brokerage services, [2] real estate trading floors, real estate consulting, and management. real estate management. However, foreign companies that do not have a commercial presence in Vietnam are not allowed to provide cross-border real estate services but are required to set up businesses in Vietnam.

However, there will be a list of industries and trades with restrictions on market access for foreign investors (investors) specified in Article 9 of the Law on Investment in 2020, basically, foreign investors are allowed to apply the following conditions: market access as regulated for domestic investors. However, in cases where, based on laws and resolutions of the National Assembly, ordinances and resolutions of the National Assembly Standing Committee, Decrees of the Government and international treaties to which the Socialist Republic of Vietnam is a signatory, Members, the Government shall announce the list of industries and occupations restricted from market access for foreign investors, including:

Sectors and trades that have not yet had access to the market;

– Sectors and trades with conditional market access.

Therefore, in the near future, the Government will issue a list of industries and professions with restricted market access for foreign investors to apply when the Investment Law 2020 takes effect. In addition, before establishing an economic organization, foreign investors must have an investment project, carry out procedures for granting and adjusting the Investment Registration Certificate; [3] except for the case of setting up creative start-up small and medium-sized enterprises and innovative start-up investment funds in accordance

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with the law on supporting small and medium enterprises.

The reason for setting conditions for the real estate business for foreign investors in Vietnam is because real estate is a special commodity. Real estate business is also a specific business in Vietnam. The legal regulations on real estate business and the business conditions surrounding this service also need to be strictly managed and bound by the corresponding legal conditions. In order to screen and select worthy, capable and responsible investors for the business activities of the enterprise. Ensure market stability, control the real estate business market in the current economic situation. The introduction of business conditions and the limitation of the business scope of this particular industry for foreign investors, will ensure that all business activities are within the control and management scope of the state Vietnam.

ii. *Business License*

A business license is a license issued by a competent authority to an enterprise that certifies that the enterprise is eligible to do business in the field of business license. Business licenses can bear many different names based on the conditions of that industry, such as certificate of eligibility for alcohol business, license for food hygiene and safety, license for overseas study counseling, license to operate a foreign language training center, etc., granted by a competent state agency. Conditions prescribed on standards of environmental sanitation, food hygiene and safety, regulations on fire prevention and fighting, social order, traffic safety and regulations on other requirements for operations business (referred to as business conditions without a license).

For example, businesses that want to do business in the field of restaurants, hotels, or beverages,... business owners will be able to do these businesses when approved by the Food Hygiene and Safety Department, Department of Health. under the licensing province, or a city directly under the Central Government that issues the business license; or want to do business in overseas study consulting services, or set up a foreign language training center, etc., must be granted an operating license by the Department of Education of the province or city directly under the Central Government. Regardless of the type of business license, it only has a certain term as prescribed by law

c) *Controlling Money Laundering through Modern Technology is a Very Effective Measure when Vietnam Integrates Internationally in the Real Estate Sector*

In the real estate business, the real estates put into business in Vietnam include: Types of real estate put into business according to the provisions of the Law on Real Estate Business 2014 include the following 4 types: Houses, existing construction works of organizations and individuals; Second, Houses and construction works formed in the future by organizations and individuals; Thirdly, Houses and construction works are Public property permitted to: "Illegal mobilization and appropriation of capital; using capital mobilized from organizations and individuals and advances from buyers, lessees, and lessees to purchase future real estate for improper purposes as committed. Conditions for future real estate to be put into business are specified in Article 55 of the Law on Real Estate Business 2014. For goods put into business, it is necessary to study and compare the original documents. to limit risks for Real Estate Projects that are not eligible to be put into business be put into business by a competent state agency; Fourthly, Types of land that are permitted to be transferred, leased or subleased according to the provisions of the law on land shall license to trade in land use rights. Fifth, Clause 5, Article 8 of the Law on Real Estate Business 2014 stipulates prohibited acts in real estate business. Along with the policy of promoting the establishment of businesses, with the goal that by 2020-2050 there are two million businesses nationwide, foreigners will surely come to work, labor, invest and do business in Vietnam. significantly. Most people in Europe, North America, Australia, Japan… often choose to rent a house. Foreigners tend to buy houses often from a number of countries and territories in East Asia and Southeast Asia, such as: China, Korea, Taiwan, Hong Kong, Singapore. [4]. That raises a series of problems. Issues need to be adjusted by law, including regulations on real estate ownership rights of foreign workers in particular and foreign individuals and organizations in general in Vietnam. [5]. Buying real estate abroad for naturalization is an alarming situation, which can have very serious consequences, not only flowing financial resources from the country to abroad, abetting financial crimes but also aiding in financial crimes. It also robs people with real housing needs who are studying, living and working abroad. Currently, our country does not have a mechanism to control the acquisition of other nationality by Vietnamese. This is a loophole for those who want to avoid legal obligations in Vietnam. Therefore, if the forms of real estate investment abroad are developed uncontrollably, they will be a solvent for money laundering and illegal asset dispersal abroad. The crime of money laundering has a very close relationship with the crime of corruption.

For example, in the family: the father has a position of embezzlement of property, the children will use the illicit property given to them by the father to launder money. The form of money transfer abroad to be able to prepare for the time of "safe landing" of those with duties and powers who abuse their positions for embezzlement is no longer a strange thing. It is worth mentioning that when these subjects have foreign nationality and are citizens of foreign countries, they will

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be found to have violated the law. As a result, the extradition of criminals with corrupt acts back home will be more difficult and complicated because the general trend is that every country has policies to protect its nationals. [6]. The impact of the industrial revolution 4.0 on the real estate business also shows great importance and significance in customer information and data management, product management, address, diagram, etc. contracts, finance, taxes, fees, charges and urge debt settlement... of the real estate trading floor. [7]. Controlling money laundering through modern technology is a very effective measure when Vietnam integrates internationally in the real estate sector. The Vietnam Real Estate Association has joined the World Real Estate Association since 2003. The exchange and learning of national experiences in the world is essential for us to prevent money laundering in the real estate sector property in Vietnam and also across the country once the real estate investment goes abroad. Therefore, the management of real estate and prevention of money laundering, investing in mixing "clean money" with "dirty money" to bring to the market for circulation is an important activity in the activity "Prevention of money laundering" in the real estate business." Currently, the situation of real estate investment is increasingly rich and complex. Therefore, research on the prevention of money laundering in the real estate business is necessary and has scientific significance in the real estate business market, preventing corruption, limiting self-interest transactions, finding solutions. Measures to prevent money laundering are effective so that the real estate market develops healthily and in the right direction.

To prevent money laundering in the real estate sector, the Ministry of Construction has issued Circular No. 12 /2011/TT-BXD dated September 1, 2011 guiding the implementation of a number of contents of Decree No. 74/2005./ND-CP dated 07/06/2005 of the Government on prevention and combat of money laundering for real estate business activities. By 2012, the National Assembly passed the Law on Anti-Money Laundering 2012 (effective from January 1, 2013) and Decree No. 116/2013/ND-CP (replacing Decree No. 74/2005/ND-CP) regulates money laundering prevention and combat in general. The 2015 Penal Code (amended and supplemented in 2017) has established a money laundering crime regime in accordance with the United Nations Convention on Anti-Money Laundering. Transnational organized crime (Palermo Convention) and specific criminal liability for legal entities.

d) Completing the Law on Real Estate Business of Foreign Investors in Vietnam

Firstly, a very important issue that the Law on Real Estate Business 2014 guides further in the mentioned documents is the procedure for adding investors in the process of real estate project implementation. In fact, the activities of cooperation, joint venture investment take place continuously and regularly throughout the implementation of real estate projects. However, there are joint venture parties that contribute a large proportion of capital and they wish to be named as a joint venture to implement the project, not merely as a secondary investor of the investor. Moreover, when the Capital market is complicated, entering the project distillation stage, large investors often choose the safe solution of having to be confirmed as an investor by a document from the competent authority, competent state.

Because of the lack of regulations on this issue, it limits the participation of foreign investors in capital contribution projects. Capital is already complicated, in Vietnam, affecting the progress and efficiency of the project. Projects, especially large projects.

Secondly, the investment license time should clearly specify the time for verification and issuance of the Investment Certificate, in which, the response time of the agencies to be consulted. However, in practice, this time is very difficult to guarantee. The agencies involved in investment, finance, construction, planning, land, banking, etc. often give their opinions on verification slower than regulations. "The reason is that a real estate investment project often involves many industries and fields. (land, environment, construction, ...) and affect the socio-economic situation of the locality where the project is located, therefore, the appraisal of a real estate project is complicated, elaborate and take time. According to a research team of the Vietnam Chamber of Commerce and Industry (VCCI), for projects that use land, there are 34 administrative procedures, which in the most favorable conditions also take at least 5 months. (155 days) to complete the licensing. However, businesses say that the actual time is many times longer than that, even with projects that take up to 14 months to complete all procedures and papers. Also according to VCCI, investment procedures, especially investment procedures in the construction sector are becoming one of the barriers to investment in Vietnam, reducing the attractiveness of Vietnam's investment environment compared to some countries in the region.

The complexity, overlapping and fragmentation of the legal system also makes policies less effective. For example, from the time the investor intends to the construction of a factory related to 4 fields of investment, land, environment and construction, administrative procedures alone have been governed by 5 Laws, 10 Decrees, 9 Circulars and a large number of provincial guidance documents. These documents are inherently complicated, and often revised, causing many difficulties for businesses. An investment project Capital is complicated, domestic enterprises want to complete licensing procedures, it takes more than 34 steps with a period of 500 to 800 days, but it will be longer if a foreign investor. The delay in licensing investment

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projects will reduce the efficiency of capital use, and the investment environment will deteriorate.

Third, simplify procedures and assign provincial authorities to carry out steps to implement real estate investment and business activities of foreign-invested enterprises, according to which: Decision on investment policy should be boldly assigned to foreign invested enterprises. Provincial People's Committee: depending on the scale of land use, migration and resettlement plans, impacts on the environment, etc. according to the provisions of the investment law. Apply for an Investment Registration Certificate if the foreign-invested enterprise has a foreign investor being an individual /organization holding 51% or more of the charter capital or the majority of general partners are individuals abroad with a partnership company. If this is not the case, after the decision on investment policy is issued, the foreign-invested enterprise can immediately implement the project.

Fourth, it is necessary to accurately assess the financial potential of investment projects. Many foreign investors want to deploy projects in the Vietnamese real estate market encourage and create favorable conditions for foreign investors to conduct real estate business effectively in the Vietnamese market. Develop legal regulations on real estate business for overseas Vietnamese and foreign-invested enterprises to ensure that it does not affect the issue of land use rights and house ownership in accordance with the land law and housing law [8]. However, in order to promote the development and create a breakthrough in the development of the domestic real estate market, it is necessary to create a more open space and legal scope for the real estate market to develop healthily and in the right direction.

Fifth, We need to control and prevent money laundering so that those who have real real estate needs can access this type of property with genuine income, avoiding wasting resources and financial resources main. In recent years, the real estate market has been exciting at times, at times bleak, erratic hot and cold market is a phenomenon, which is a high risk factor for self-interest transactions in the transfer of use rights. The soil is born and nurtured. Money laundering takes place silently and is very difficult to control. Many large sums of money invested in real estate are not mobilized from idle sources in the people, but sometimes drawn from the money of the State and the people.

Money laundering causes bad consequences to the common interests of society and infringes upon the legitimate rights of people living with legitimate work. As a result, all of them have a negative impact on society. Currently, real estate is an area with a high risk of money laundering. Through many big cases, it has been shown that, in order to launder money, subjects often ask relatives to buy, transfer, and name real estate [9]. The cooperation with FATF [10] with Vietnam Real Estate Association and Vietnam Real Estate Brokers Association has not been regular and continuous in coordinating anti-money laundering activities. Exchange of academics, skills, training and learning experiences is still limited; Reporting organizations are responsible for international cooperation in prevention and combat of money laundering in the real estate sector at the request of competent state agencies [11].

Sixth: Need clearer guidance on stipulating conditions on investment form, scope of activities, Vietnamese partners participating in the implementation of investment activities and other conditions under the provisions of international treaties to which the Socialist Republic of Vietnam is a member. Socialist Republic of Vietnam is a member. It is necessary to expand the scope of investment forms such as capital contribution, purchase of shares or capital contribution of a real estate company to the same extent as a domestic investor, without letting the investor's scope of real estate business activities be limited foreign investors will be narrower than domestic investors. Specifically, according to the Law on Real Estate Business, foreign investors may operate in the following forms: Renting houses and construction works for sublease; For land leased by the State, it is allowed to invest in the construction of houses for lease; Investing in the construction of houses and construction works other than houses for sale, lease, or lease-purchase; Receive transfer of the whole or part of real estate project of the investor to build houses, construction works for sale, lease, lease purchase; For land allocated by the State, it is allowed to invest in the construction of houses for sale, lease, or lease-purchase.

II. Conclusion

The process, procedures and methods of mutual legal assistance in the prevention and combat of money laundering shall comply with the Law on mutual legal assistance and the Code of Criminal Procedure of Vietnam, international treaties to which the Socialist Republic of Vietnam is a member. Nam is a member of the mutual legal assistance agreement between Vietnam and other countries. In order to effectively control overseas real estate investment activities, it is necessary to concretize processes, procedures and methods of cooperation in extradition of money-laundering criminals in accordance with the Law on Mutual Legal Assistance and the Law on Mutual Legal Assistance. Criminal procedure in Vietnam, international treaties to which the Socialist Republic of Vietnam is a signatory, mutual legal assistance agreements between Vietnam and other countries. The Ministry of Public Security shall act as the focal point to implement and request cooperation in extradition of money laundering criminals [12]. The situation of real estate investment in Vietnam is increasingly rich and complex. Therefore, in the real

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estate business, our state prevents corruption, self-interested transactions so that the real estate market develops healthily and in the right direction in accordance with the principle of transparency and control of corruption in the real estate market. investment law.

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Smart Cities Digital Transformation: Funded by Tufidco in Tamil Nadu

By Dr. K. Karthick, Dr. SP. Mathiraj & Mrs. A. Nithyakarpagam

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Abstract- In India the smart cities projects were implemented by Indian government. In Tamil Nadu many states are selected to convert cities into smart cities. TUFIDCO is providing financial assistance to smart cities projects. The digital Transformation is the vital part in smart cities projects. The main aim of Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited mission is to provide financial assistance and guidance to Local Bodies, Corporations, Boards, Authorities, and parastatal agencies for their development projects. An intelligent city refers that provides all the facilities a city needs, such as education, electricity, transportation, green environments, good governance and information technologies. To put it simply, smart cities improve the quality of life. The selected Smart Cities are Chennai, Coimbatore, Madurai, Thanjavur, Salem, Vellore, Tiruppur, Thoothukudi, Tirunelveli, Tiruchirappalli and Erode in Tamil Nadu. Researchers obtain data from secondary sources. In order to carry out this research, the researcher should analyze the funding provided to the government by TUFIDCO to implement smart cities in Tamil Nadu.

Keywords: TUFIDCO, smart cities, cost, project, financial assistance, digital transformation.

GJMBR-B Classification: JEL: H54



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Smart Cities Digital Transformation: Funded by Tufidco in Tamil Nadu

Dr. K. Karthick [α], Dr. SP. Mathiraj [σ] & Mrs. A. Nithyakarpagam [ρ]

Abstract- In India the smart cities projects were implemented by Indian government. In Tamil Nadu many states are selected to convert cities into smart cities. TUFIDCO is providing financial assistance to smart cities projects. The digital Transformation is the vital part in smart cities projects. The main aim of Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited mission is to provide financial assistance and guidance to Local Bodies, Corporations, Boards, Authorities, and parastatal agencies for their development projects. An intelligent city refers that provides all the facilities a city needs, such as education, electricity, transportation, green environments, good governance and information technologies. To put it simply, smart cities improve the quality of life. The selected Smart Cities are Chennai, Coimbatore, Madurai, Thanjavur, Salem, Vellore, Tiruppur, Thoothukudi, Tirunelveli, Tiruchirappalli and Erode in Tamil Nadu. Researchers obtain data from secondary sources. In order to carry out this research, the researcher should analyze the funding provided to the government by TUFIDCO to implement smart cities in Tamil Nadu.

Keywords: TUFIDCO, smart cities, cost, project, financial assistance, digital transformation.

I. Introduction

The Government of India launched the Smart Cities Mission on the 25th of June, 2015. As per the aspirations and needs of citizens, the purpose of the Smart Cities Mission is to create world-class cities. In Tamil Nadu, TUFIDCO is the mission directorate for implementing the Smart Cities Mission. 100 cities in India have been selected by the Indian Government to be developed as "Smart Cities" by upgrading their infrastructures and implementing smart applications. With regards to economic, social, and environmental aspects, it enhances the quality of life, improves the efficiency of urban operations and meets the needs of present and future generations. A total of 11 Tamil Nadu cities have been selected to be developed as 'Smart Cities. These are the cities that are selected as smart cities: Chennai, Coimbatore, Madurai, Thanjavur, Salem, Vellore, Tiruppur, Thoothukudi, Tirunelveli, Tiruchirappalli and Erode. Currently, the implementation of the Smart City project is being done by a Special Purpose Vehicle (SPV) formed at the local level. In conjunction with this Mission, each city will get Rs. 500 Cr as Central assistance and Rs. 500 Cr as State grant in order to implement various smart city projects. Smart cities are an integral part of developing the nation. Utilizing the economic share capital, reserves and surplus of TUFIDCO, along with bank borrowings and the mobilization of public deposits, extends support for infrastructure development in the state.

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II. Objective of the Study

- In order to examine TUFIDCO financial assistance provided to smart cities projects in cities of Tamil Nadu.
- To determine the relationship between project quantity and construction cost.
- To examine the digital transformation is change the life style of the peoples.

III. Research Methodology

In this study, data was obtained from Primary and secondary sources of data. The primary data was collected from the well-structured questioner. The secondary data collected for the purpose of this study were form standard text books, leading journals, magazines, and official websites.

a) Sampling Techniques

i. *Clustered Sampling*

Hypothesis

- Ho_1 - There is no relation between smart cities project construction quantity and Cost of the Project.
- Ho_2 - There is no relationship between digital Transformation and Life style.

IV. Concept of Smartcities

In smart cities, residents focus on the most pressing needs and the most effective opportunities to improve their lives. They use a range of strategies to solve problems, including digital and information technologies, urban planning best practices, public-private partnerships, and policy change. In the Smart Cities Mission, the aim is to promote cities that provide core infrastructure and give decent quality of life to their citizens, a clean and sustainable environment, and provide 'Smart' solutions. A replicable model will act as a lighthouse for other aspiring cities to develop in a

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sustainable and inclusive way. The goal is to place the focus on sustainable and inclusive development. As part of the Smart Cities Mission, smart cities will serve as examples that can be replicated both within and outside the Smart City, leading to similar Smart Cities being built in various parts of the country.

SAMRT CITIES VISION

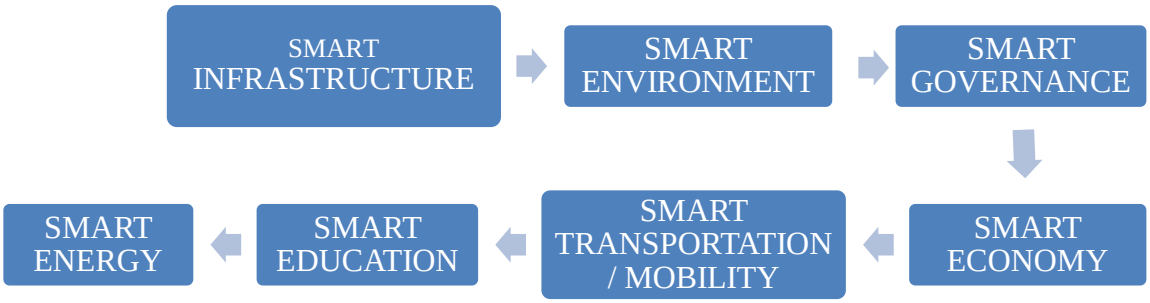


Figure – 1

V. Smart Cities Core Infrastructure Elements

Infrastructure plays a vital role in construction. Smart cities core Infrastructure includes a) Adequate water supply' b) robust IT connectivity and digitalization c) Assured electricity supply d) Affordable housing especially for the poor e) Sustainable environment f) Safety and security of citizens, particularly women, children and the elderly, and health and education g) Sanitation, including solid waste management h) Good governance especially e-Governance and citizen participation i) Efficient urban mobility and public transport.

VI. Smart Cities Mission

A Smart Cities Mission is an urban renewal and retrofitting program being run by the Government of India with the goal of developing citizen-friendly and sustainable cities throughout the country. Implementation of the mission is the responsibility of the Union Ministry of Urban Development and state governments of the respective cities. The Smart Cities Mission aims to improve the quality of life for people as well as drive economic growth and enable localized development by leveraging technology, especially technology that facilitates Smart decisions. The "100 Smart Cities Mission" was launched by PM Narendra Modi on 25 June 2015.

Ministry of Housing and Urban Affairs
Government of India

Smart City
MISSION TRANSFORM·NATION

Under the Housing and Urban Finance Ministry, the Smart Cities mission is governed. The Indian Cabinet approved the development of 100 smart cities and the revitalization of 500 others with a total of 98,000 crores (US$13 billion).

VII. The Mission Strategy for Smart Cities

1. Pan-city initiative in which at least one Smart Solution is applied city-wide
2. Develop areas step-by-step – three models of area-based developments
3. Retrofitting
4. Redevelopment
5. Greenfield

VIII. The Financing of Smart Cities by Federal Government

Smart City Mission will be run by the Central Government as a federally-sponsored scheme (CSS), and the Central Government proposes to fund the project. The finance plays the vital role for construct the smart cities objectives. So, the central government plans to provide the financial assistance towards the smart cities project. The following table shows how much the federal government provides financial assistance to CSS.

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Table – 1: Central Government Offers Financial Support to CSS

	YEARS	AMOUNT (in Crores)
Proposed	5	48,000
In Average	1	100

Source: Secondary Data

IX. Smart City Challenge: List of Cities Nominated by States

According to a plan developed by the Ministry of Urban Development (MoUD), cities were selected for funding based on a competition-based method. Cities competed in state-level competitions with other cities in the state. At the national level, the state-level winner competed in the Smart City Challenge. Cities achieving the highest marks in a particular round were chosen for the mission. According to the proposal, state governments were asked to nominate potential cities based on state-level competition, with 100 cities across India to choose from. As of August 2015, the Ministry of Urban Development published the list of 98 nominees submitted by state governments. West Bengal's participating cities (New Town, Kolkata, Bidhannagar, Durgapur, and Haldia) have all withdrawn from the Smart Cities Mission. As a result of the Smart Cities Mission, Mumbai and Navi Mumbai from Maharashtra have also been withdrawn.

Listed below are the Cities that have been Nominated by States for the Smart City Challenge in Tamil Nadu:

There are 12 cities in Tamil Nadu that have been nominated for smart city transformation. The nominated cities are listed below the given table.

Table – 2: Nominated Cities by Tamilnadu for Smart Cities Trasformation

Name of the State	No. Cities nominated for Smart Cities	Name of the Cities
Tamil Nadu	12	Chennai Coimbatore Dindigul Erode Madurai Salem Thanjavur Thoothukudi Tiruchirappalli Tirunelveli Tiruppur Vellore

Source: Secondary Data

X. Cities Selected for Samrt Cities Transformation in Tamil Nadu

There is no single round of selection for the 11 cities. A total of five rounds are conducted in this mission. Two cities from Tamil Nadu were selected in the first round. During the second round, no cities were chosen to transform into smart cities. Four cities were selected in the third round. Four cities in the fourth round were selected, while one city was selected in the last round.

Table – 3: Smart Cities List

Round	No. of Selected Cities in India	No. of Cities Selected in Tamil Nadu	Name of the Cities
1	20	2	Coimbatore Chennai
2	13	Nil	Nil
3	27	4	Vellor Madurai Thanjavur Selam
4	30	4	Thoothukudi Trichy Tirunelveli Tirupur
5	10	1	Erode.
TOTAL	100	11	

Source: Secondary Data

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XI. Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO)

The Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) was incorporated under the Companies Act, 1956 on 21-03-1990. As part of its primary objective, the corporation offers financial assistance and advice to Local Bodies, Corporations, Boards, Authorities and parastatal agencies for their development schemes. It also serves as the Nodal Agency for Government schemes and programmes in the state. Its Corporate Identification Number (CIN) is "U65191TN1990SGC018909".

XII. Sources of Fund for Lending

TUFIDCO extends funding support to infrastructure development projects in the state by borrowing from banks and mobilising public deposits as well as equity capital, reserves, and surpluses.

Table – 4: Share Capital of Tufidco

Share Capital of Tufidco	
Authorized share capital	Rs.50 Crs.
Issue and paid Up	Rs. 32 Crs.

Source: Secondary Data

Table – 5: Share Holders of Tufidco

Sl. No.	Shareholders category	Amount of paid up share capital (Rs. In lakh)	Share Holding in percentage
1.	Government of Tamil Nadu	3102.00	96.9375%
2.	Urban Local Bodies.	78.00	2.4375%
3.	Housing and Urban Development Corporation Ltd.	20.00	0.6250%
	Total	**3200.00**	**100%**

Source: Secondary Data

XIII. Tufidco Funded to Various Schemes

Here is a list of projects for which financial assistance can be extended under this scheme.

- Construction of Commercial/Shopping complex.
- Construction of an Office Complex.
- Bus Terminals.
- Water Supply Schemes.
- Drainage Schemes.
- Sites and Services Schemes.
- Development of Truck Terminals.
- Street Lighting for major roads.
- Traffic improvement programme.
- Social amenities.
- Provision of Tourist facilities.
- Construction/improvement of major roads, important roads including ring, arterial, by-pass, link road, small bridges, Culverts etc.
- Construction/Upgradation of storm water drains.
- Crematorium project.
- Warehouse/Godowns
- Infrastructure for Housing scheme.
- Housing and Sites & Service schemes
- Any other projects which is/are in the nature of infrastructure development.

XIV. Tamil Nadu Urban Infrastructure Development and Renewal Fund (TNUIDRF)

In June 2015, the Indian government launched the Smart Cities Mission. Smart Cities Mission aims to create world-class cities based on the aspirations and needs of Indian citizens. TUFIDCO is Tamil Nadu's Mission Directorate for the Smart Cities Mission. The Government of India has selected 100 cities for upgrading infrastructure and smart applications to develop as 'Smart Cities'. Besides improving quality of life and efficiency of urban operations, it will meet the needs of present and future generations in terms of economic, social, and environmental aspects. Across Tamil Nadu, 11 cities have been selected for the development of 'Smart Cities. TUFIDO provided financial assistant to state government for the smart cities projects under Tamil Nadu Urban Infrastructure Development and Renewal Fund (TNUIDRF). The project is being carried out by a Special Purpose Vehicle (SPV), which was formed at city-level. Tamil Nadu has created the Tamil Nadu Urban Infrastructure Development and Renewal Fund with effect from 1.4.2006, via G.O.Ms.No.49 dated 30.03.2007 of the Municipal Administration and Water Supply Department. Fund operations will be undertaken by the Chairman

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and Managing Director of TUFIDCO, an officer on special duty at MA & WS department. They provided financial assistant to smart cities projects.

Table – 6: Tufidco Funded to Tamil Nadu for Smart Cities Projects

S.NO.	PROJECT	COST IN (Crs)	STATUS
1.	63	248.09	Completed
2.	199	5,502.40	Execution
3.	116	4,628.65	Various stages of Implementation
Total	378	10,379.14	

Source: Secondary Data

The above table shows that, the TUFIDCO provide financial assistant to Tamilnadu government totally 378 projects at the cost of Rs.10,379.14/-. 63 projects at a cost of Rs.248.09 Cr have been completed, 199 projects at a cost of Rs.5502.40 Cr. are under execution and 116 projects are under various stages of implementation. The table value was created based on TUFIDCO's data. According to this table there is no relationship between quantity of the project and Cost of the project.

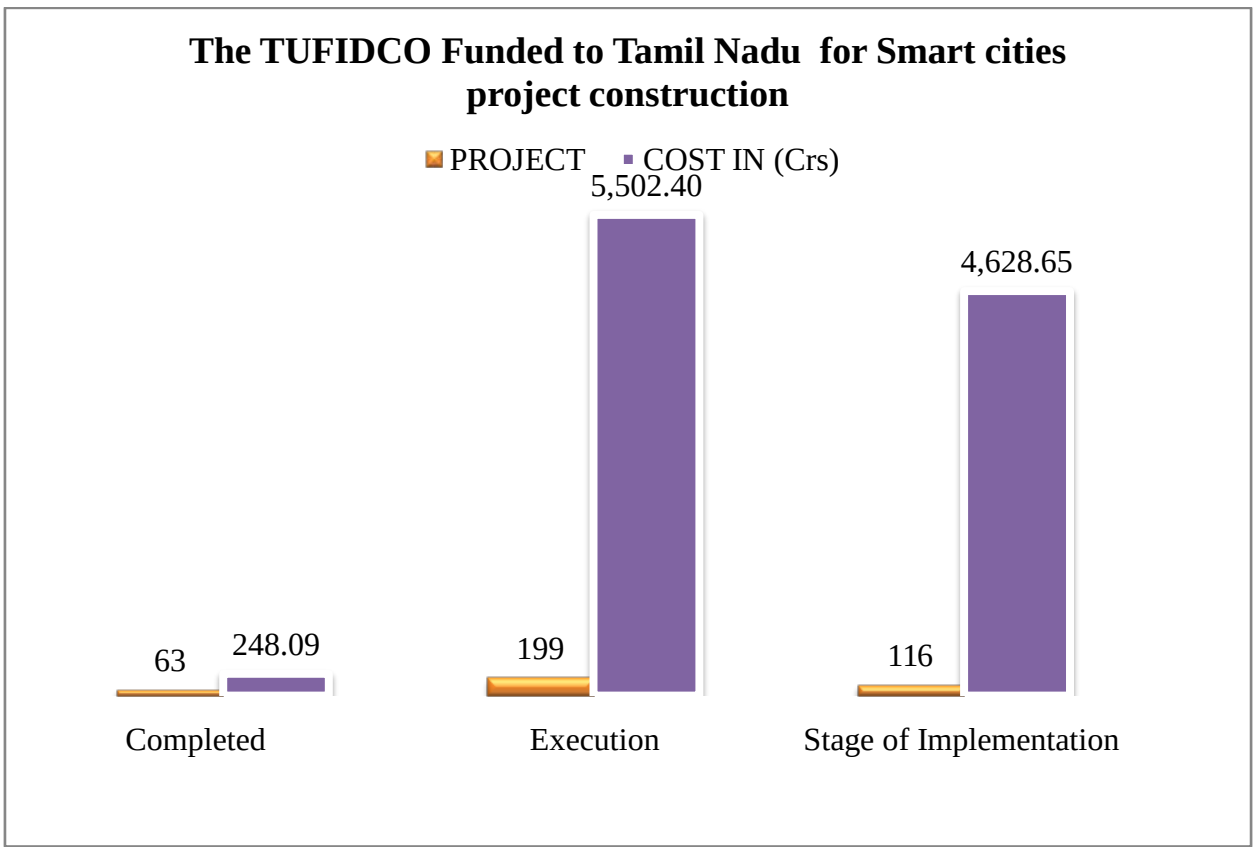


Figure - 2

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a) Analysis and Interpretation

Ho2- There is no relationship between digital Transformation and Life style.
Hoa- There is a relationship between digital Transformation and Life style.

Table – 7: One-Way ANOVA

One-Way ANOVA (Welch's)					
	F	df1	df2	p	
digital Transformation Needed to change the lifestyle	1.82	4	39.6	0.144	

(Source: Computed – Primary Data)

Interpretation

ANOVA Welch's test table shows that the P value of this analysis 0.144 and its significance value is 0.015. So, the P value is greater than the significant value is o.oo5. As 0.144>0.005 the null hypothesis was accepted. So, there is no association between digital transformation needed to change the lifestyle.

Table - 8

Homogeneity of Variances Test (Levene's)				
	F	df1	df2	p
Digital Transformation Needed to change the lifestyle	13.0	4	114	< .001

(Source: Computed – Primary Data)

Interpretation

Homogeneity of variance Test (Levene's) table shows that the P value got as 0.001 and the significant value is 0.005. (ie) The P value is lower than the significant value is lower than the significant value. So, the interpretation of the model would violation of normality.

b) Findings

- TUFIDCO provides financial assistant to smart cities projects from the source of equality share capital, reserves and surplus, bank borrowings and mobilisation of public deposits, extend funding support to infrastructure development projects in the State.
- TUFIDCO provides financial assistant to various construction projects too.
- Research findings suggest that project quantity does not necessarily correlate with project costs.
- Table – 7 *One-Way ANOVA (Welch's)* interpret that there is no association between digital transformation needed to change the lifestyle.
- Table – 8 *Homogeneity of Variances Test (Levene's)* interpret that The P value is lower than the significant value is lower than the significant value. So, the interpretation of the model would violation of normality.

c) Suggession

- This study shows that the quantity of the project is not related to the cost which has been spent. Due to the fact that the cost of construction varied from city to city. A building of 200 square feet in Madurai had a higher cost of construction than a building in Chennai with the same square footage.
- As per the analysis technology transformation is not mandatory for the lifestyle.

XV. Conclusion

Due to the ever increasing population levels and sudden population explosion in the cities, the urban challenges they face have become unprecedented. As such, pollution levels, resource scarcity, traffic congestion, and many more are expected to continue to rise. To provide sustainable prosperity to their citizens, cities today face new economic, political, and technological responsibilities. The citizens need to develop their life style. It's essential to act fast as the need to provide a sustainable development of smart cities project. In order to foster the growth of the smart cities projects, TUFICO provides financial assistance. The company lends funds to a diverse range of projects at varying costs. In this study the researcher should

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concluded that the construction cost was not correlate to the quantity of project. Since each city cost of living is differs. The researcher should focus on the source of fund provided by the company to the government. Lifestyle is not depend on the technology transformation.

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Acknowledgments

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

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Manuscript Style Instruction (Optional)

- Microsoft Word Document Setting Instructions.
- Font type of all text should be Swis721 Lt BT.
- Page size: 8.27" x 11'", left margin: 0.65, right margin: 0.65, bottom margin: 0.75.
- Paper title should be in one column of font size 24.
- Author name in font size of 11 in one column.
- Abstract: font size 9 with the word "Abstract" in bold italics.
- Main text: font size 10 with two justified columns.
- Two columns with equal column width of 3.38 and spacing of 0.2.
- First character must be three lines drop-capped.
- The paragraph before spacing of 1 pt and after of 0 pt.
- Line spacing of 1 pt.
- Large images must be in one column.
- The names of first main headings (Heading 1) must be in Roman font, capital letters, and font size of 10.
- The names of second main headings (Heading 2) must not include numbers and must be in italics with a font size of 10.

Structure and Format of Manuscript

The recommended size of an original research paper is under 15,000 words and review papers under 7,000 words. Research articles should be less than 10,000 words. Research papers are usually longer than review papers. Review papers are reports of significant research (typically less than 7,000 words, including tables, figures, and references)

A research paper must include:

a) A title which should be relevant to the theme of the paper.
b) A summary, known as an abstract (less than 150 words), containing the major results and conclusions.
c) Up to 10 keywords that precisely identify the paper's subject, purpose, and focus.
d) An introduction, giving fundamental background objectives.
e) Resources and techniques with sufficient complete experimental details (wherever possible by reference) to permit repetition, sources of information must be given, and numerical methods must be specified by reference.
f) Results which should be presented concisely by well-designed tables and figures.
g) Suitable statistical data should also be given.
h) All data must have been gathered with attention to numerical detail in the planning stage.

Design has been recognized to be essential to experiments for a considerable time, and the editor has decided that any paper that appears not to have adequate numerical treatments of the data will be returned unrefereed.

i) Discussion should cover implications and consequences and not just recapitulate the results; conclusions should also be summarized.
j) There should be brief acknowledgments.
k) There ought to be references in the conventional format. Global Journals recommends APA format.

Authors should carefully consider the preparation of papers to ensure that they communicate effectively. Papers are much more likely to be accepted if they are carefully designed and laid out, contain few or no errors, are summarizing, and follow instructions. They will also be published with much fewer delays than those that require much technical and editorial correction.

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Author details

The full postal address of any related author(s) must be specified.

Abstract

The abstract is the foundation of the research paper. It should be clear and concise and must contain the objective of the paper and inferences drawn. It is advised to not include big mathematical equations or complicated jargon.

Many researchers searching for information online will use search engines such as Google, Yahoo or others. By optimizing your paper for search engines, you will amplify the chance of someone finding it. In turn, this will make it more likely to be viewed and cited in further works. Global Journals has compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

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A major lynchpin of research work for the writing of research papers is the keyword search, which one will employ to find both library and internet resources. Up to eleven keywords or very brief phrases have to be given to help data retrieval, mining, and indexing.

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One should start brainstorming lists of potential keywords before even beginning searching. Think about the most important concepts related to research work. Ask, “What words would a source have to include to be truly valuable in a research paper?” Then consider synonyms for the important words.

It may take the discovery of only one important paper to steer in the right keyword direction because, in most databases, the keywords under which a research paper is abstracted are listed with the paper.

Numerical Methods

Numerical methods used should be transparent and, where appropriate, supported by references.

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Authors must list all the abbreviations used in the paper at the end of the paper or in a separate table before using them.

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Authors are advised to submit any mathematical equation using either MathJax, KaTeX, or LaTeX, or in a very high-quality image.

Tables, Figures, and Figure Legends

Tables: Tables should be cautiously designed, uncrowned, and include only essential data. Each must have an Arabic number, e.g., Table 4, a self-explanatory caption, and be on a separate sheet. Authors must submit tables in an editable format and not as images. References to these tables (if any) must be mentioned accurately.

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Figures are supposed to be submitted as separate files. Always include a citation in the text for each figure using Arabic numbers, e.g., Fig. 4. Artwork must be submitted online in vector electronic form or by emailing it.

Preparation of Eletronic Figures for Publication

Although low-quality images are sufficient for review purposes, print publication requires high-quality images to prevent the final product being blurred or fuzzy. Submit (possibly by e-mail) EPS (line art) or TIFF (halftone/ photographs) files only. MS PowerPoint and Word Graphics are unsuitable for printed pictures. Avoid using pixel-oriented software. Scans (TIFF only) should have a resolution of at least 350 dpi (halftone) or 700 to 1100 dpi (line drawings). Please give the data for figures in black and white or submit a Color Work Agreement form. EPS files must be saved with fonts embedded (and with a TIFF preview, if possible).

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Techniques for writing a good quality management and business research paper:

1. Choosing the topic: In most cases, the topic is selected by the interests of the author, but it can also be suggested by the guides. You can have several topics, and then judge which you are most comfortable with. This may be done by asking several questions of yourself, like "Will I be able to carry out a search in this area? Will I find all necessary resources to accomplish the search? Will I be able to find all information in this field area?" If the answer to this type of question is "yes," then you ought to choose that topic. In most cases, you may have to conduct surveys and visit several places. Also, you might have to do a lot of work to find all the rises and falls of the various data on that subject. Sometimes, detailed information plays a vital role, instead of short information. Evaluators are human: The first thing to remember is that evaluators are also human beings. They are not only meant for rejecting a paper. They are here to evaluate your paper. So present your best aspect.

2. Think like evaluators: If you are in confusion or getting demotivated because your paper may not be accepted by the evaluators, then think, and try to evaluate your paper like an evaluator. Try to understand what an evaluator wants in your research paper, and you will automatically have your answer. Make blueprints of paper: The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

3. Ask your guides: If you are having any difficulty with your research, then do not hesitate to share your difficulty with your guide (if you have one). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work, then ask your supervisor to help you with an alternative. He or she might also provide you with a list of essential readings.

4. Use of computer is recommended: As you are doing research in the field of management and business then this point is quite obvious. Use right software: Always use good quality software packages. If you are not capable of judging good software, then you can lose the quality of your paper unknowingly. There are various programs available to help you which you can get through the internet.

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14. Arrangement of information: Each section of the main body should start with an opening sentence, and there should be a changeover at the end of the section. Give only valid and powerful arguments for your topic. You may also maintain your arguments with records.

15. Never start at the last minute: Always allow enough time for research work. Leaving everything to the last minute will degrade your paper and spoil your work.

16. Multitasking in research is not good: Doing several things at the same time is a bad habit in the case of research activity. Research is an area where everything has a particular time slot. Divide your research work into parts, and do a particular part in a particular time slot.

17. Never copy others' work: Never copy others' work and give it your name because if the evaluator has seen it anywhere, you will be in trouble. Take proper rest and food: No matter how many hours you spend on your research activity, if you are not taking care of your health, then all your efforts will have been in vain. For quality research, take proper rest and food.

18. Go to seminars: Attend seminars if the topic is relevant to your research area. Utilize all your resources.

19. Refresh your mind after intervals: Try to give your mind a rest by listening to soft music or sleeping in intervals. This will also improve your memory. Acquire colleagues: Always try to acquire colleagues. No matter how sharp you are, if you acquire colleagues, they can give you ideas which will be helpful to your research.

20. Think technically: Always think technically. If anything happens, search for its reasons, benefits, and demerits. Think and then print: When you go to print your paper, check that tables are not split, headings are not detached from their descriptions, and page sequence is maintained.

21. Adding unnecessary information: Do not add unnecessary information like "I have used MS Excel to draw graphs." Irrelevant and inappropriate material is superfluous. Foreign terminology and phrases are not apropos. One should never take a broad view. Analogy is like feathers on a snake. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Never oversimplify: When adding material to your research paper, never go for oversimplification; this will definitely irritate the evaluator. Be specific. Never use rhythmic redundancies. Contractions shouldn't be used in a research paper. Comparisons are as terrible as clichés. Give up ampersands, abbreviations, and so on. Remove commas that are not necessary. Parenthetical words should be between brackets or commas. Understatement is always the best way to put forward earth-shaking thoughts. Give a detailed literary review.

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23. Upon conclusion: Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium though which your research is going to be in print for the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects of your research.

Informal Guidelines of Research Paper Writing

Key points to remember:

- Submit all work in its final form.
- Write your paper in the form which is presented in the guidelines using the template.
- Please note the criteria peer reviewers will use for grading the final paper.

Final points:

One purpose of organizing a research paper is to let people interpret your efforts selectively. The journal requires the following sections, submitted in the order listed, with each section starting on a new page:

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The discussion section:

This will provide understanding of the data and projections as to the implications of the results. The use of good quality references throughout the paper will give the effort trustworthiness by representing an alertness to prior workings.

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- Separating a table, chart, or figure—confine each to a single page.
- Submitting a manuscript with pages out of sequence.
- In every section of your document, use standard writing style, including articles ("a" and "the").
- Keep paying attention to the topic of the paper.



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- Use paragraphs to split each significant point (excluding the abstract).
- Align the primary line of each section.
- Present your points in sound order.
- Use present tense to report well-accepted matters.
- Use past tense to describe specific results.
- Do not use familiar wording; don't address the reviewer directly. Don't use slang or superlatives.
- Avoid use of extra pictures—include only those figures essential to presenting results.

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Choose a revealing title. It should be short and include the name(s) and address(es) of all authors. It should not have acronyms or abbreviations or exceed two printed lines.

Abstract: This summary should be two hundred words or less. It should clearly and briefly explain the key findings reported in the manuscript and must have precise statistics. It should not have acronyms or abbreviations. It should be logical in itself. Do not cite references at this point.

An abstract is a brief, distinct paragraph summary of finished work or work in development. In a minute or less, a reviewer can be taught the foundation behind the study, common approaches to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Use comprehensive sentences, and do not sacrifice readability for brevity; you can maintain it succinctly by phrasing sentences so that they provide more than a lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study with the subsequent elements in any summary. Try to limit the initial two items to no more than one line each.

Reason for writing the article—theory, overall issue, purpose.

- Fundamental goal.
- To-the-point depiction of the research.
- Consequences, including definite statistics—if the consequences are quantitative in nature, account for this; results of any numerical analysis should be reported. Significant conclusions or questions that emerge from the research.

Approach:

- Single section and succinct.
- An outline of the job done is always written in past tense.
- Concentrate on shortening results—limit background information to a verdict or two.
- Exact spelling, clarity of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else.

Introduction:

The introduction should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable of comprehending and calculating the purpose of your study without having to refer to other works. The basis for the study should be offered. Give the most important references, but avoid making a comprehensive appraisal of the topic. Describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will give no attention to your results. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here.

The following approach can create a valuable beginning:

- Explain the value (significance) of the study.
- Defend the model—why did you employ this particular system or method? What is its compensation? Remark upon its appropriateness from an abstract point of view as well as pointing out sensible reasons for using it.
- Present a justification. State your particular theory(-ies) or aim(s), and describe the logic that led you to choose them.
- Briefly explain the study's tentative purpose and how it meets the declared objectives.

Approach:

Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done. Sort out your thoughts; manufacture one key point for every section. If you make the four points listed above, you will need at least four paragraphs. Present surrounding information only when it is necessary to support a situation. The reviewer does not desire to read everything you know about a topic. Shape the theory specifically—do not take a broad view.

As always, give awareness to spelling, simplicity, and correctness of sentences and phrases.

Procedures (methods and materials):

This part is supposed to be the easiest to carve if you have good skills. A soundly written procedures segment allows a capable scientist to replicate your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order, but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt to give the least amount of information that would permit another capable scientist to replicate your outcome, but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section.

When a technique is used that has been well-described in another section, mention the specific item describing the way, but draw the basic principle while stating the situation. The purpose is to show all particular resources and broad procedures so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step-by-step report of the whole thing you did, nor is a methods section a set of orders.

Materials:

Materials may be reported in part of a section or else they may be recognized along with your measures.

Methods:

- Report the method and not the particulars of each process that engaged the same methodology.
- Describe the method entirely.
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures.
- Simplify—detail how procedures were completed, not how they were performed on a particular day.
- If well-known procedures were used, account for the procedure by name, possibly with a reference, and that's all.

Approach:

It is embarrassing to use vigorous voice when documenting methods without using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result, when writing up the methods, most authors use third person passive voice.

Use standard style in this and every other part of the paper—avoid familiar lists, and use full sentences.

What to keep away from:

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings—save it for the argument.
- Leave out information that is immaterial to a third party.

Results:

The principle of a results segment is to present and demonstrate your conclusion. Create this part as entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Use statistics and tables, if suitable, to present consequences most efficiently.

You must clearly differentiate material which would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matters should not be submitted at all except if requested by the instructor.



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Content:

- Sum up your conclusions in text and demonstrate them, if suitable, with figures and tables.
- In the manuscript, explain each of your consequences, and point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation of an exacting study.
- Explain results of control experiments and give remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or manuscript.

What to stay away from:

- Do not discuss or infer your outcome, report surrounding information, or try to explain anything.
- Do not include raw data or intermediate calculations in a research manuscript.
- Do not present similar data more than once.
- A manuscript should complement any figures or tables, not duplicate information.
- Never confuse figures with tables—there is a difference.

Approach:

As always, use past tense when you submit your results, and put the whole thing in a reasonable order.

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

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- You may propose future guidelines, such as how an experiment might be personalized to accomplish a new idea.
- Give details of all of your remarks as much as possible, focusing on mechanisms.
- Make a decision as to whether the tentative design sufficiently addressed the theory and whether or not it was correctly restricted. Try to present substitute explanations if they are sensible alternatives.
- One piece of research will not counter an overall question, so maintain the large picture in mind. Where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.

Approach:

When you refer to information, differentiate data generated by your own studies from other available information. Present work done by specific persons (including you) in past tense.

Describe generally acknowledged facts and main beliefs in present tense.

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Methods and Procedures	Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads	Difficult to comprehend with embarrassed text, too much explanation but completed	Incorrect and unorganized structure with hazy meaning
Result	Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake	Complete and embarrassed text, difficult to comprehend	Irregular format with wrong facts and figures
Discussion	Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited	Wordy, unclear conclusion, spurious	Conclusion is not cited, unorganized, difficult to comprehend
References	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring

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