

Varazdin Development and Entrepreneurship Agency and Heriot-Watt University
in cooperation with
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MENA Fintech Association
University North
Faculty of Management University of Warsaw
Faculty of Law, Economics and Social Sciences Sale - Mohammed V University in Rabat
ENCGT - Ecole Nationale de Commerce et de Gestion de Tanger/ Abdelmalek Essaadi University
Polytechnic of Medimurje in Cakovec



Economic and Social Development

101st International Scientific Conference on Economic and Social Development –
"Roadmap to NetZero Economies and Businesses"

Book of Abstracts

Editors:

Jelena Janjusevic, Josko Lozic, Vlatka Ruzic

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Dubai, 19-20 October, 2023

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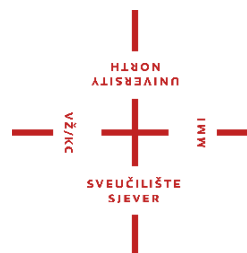
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CONTENTS

NON-FINANCIAL REPORTING AND FINANCIAL PERFORMANCE OF COMPANIES LISTED ON THE ZAGREB STOCK EXCHANGE	1
Vlasta Roska	
LEADING THROUGH CONFLICT; HOW MANAGERS CAN USE CONFLICT EFFECTIVELY	1
Lynann Butler	
BITCOIN AND POTENTIAL MARKET CORNERING	2
Denis Buterin, Jasmina Kozulic Balaban, Vesna Buterin	
THE IMPACT OF DIGITAL MARKETING ON CUSTOMER SATISFACTION.....	3
Fatmah Mahanna Saeed Al Kendi, Saleimah Rashed Mubarak Sebait Al Mesmari, Fatmah Mohamed Salim Alsereidi, Syed Ali Bukhari	
REAL WORLD ENVIRONMENT APPLICATION OF AUGMENTED REALITY	4
Robert Oreski, Andrija Bernik, Domagoj Frank	
AI APPLICATIONS IN THE PUBLIC SECTOR IN JORDAN USING AIMA.....	5
Kholoud Alkayid, Metri Mdanat, Rami Shaheen	
THE IMPACT OF NON-PERFORMING LOANS ON BANK PROFITABILITY: EVIDENCE FROM COMMERCIAL BANKS OF UZBEKISTAN.....	5
Ulmas Juraev	
GLOBAL MINIMUM TAX: A SUSTAINABLE MODEL FOR REVENUE ADMINISTRATION	6
Fong Yew Ong	
THE IMPACT OF THE COVID-19 PANDEMIC ON THE BUSINESS RESULT OF THE ETSY PLATFORM	7
Josko Lozic	
EFFECTUATION AND HEXACO MODEL AS A CONSIDERABLE ELEMENTS FOR UNDERSTANDING THE CHARACTERISTICS THAT MAKE ENETREPERENURS PROSPEROUS.....	7
Dinko Primorac, Irena Bilic, Goran Kozina	
CHALLENGE AND OPPORTUNITY OF SUSTAINABLE TOURISM: CASE OF MOROCCO	8
Soukaina Elomari	
ECONOMIC ASPECT OF THE TECHNOLOGY TRANSFER PROCESS IN THE BIOTECHNOLOGY SECTOR.....	9
Ivana Abramac, Petra Karanikic	

COUNTRY OF ORIGIN EFFECT ON CONSUMER BEHAVIOR: EXPLORING CONCEPTUAL AND THEORETICAL FRAMEWORKS 9

Salma Housni, Mustapha Machrafi

REGULATORY FRAMEWORK REGARDING THE ISSUE OF ROTATION OF AUDITING COMPANIES IN RELATION TO THE INDEPENDENCE AND QUALITY OF AUDITORS 10

Anamarija Stjepanovic, Martina Bris Alic, Ivan Cevizovic

APPLICABILITY OF DIFFERENT OPTIONS ON MANDATORY ROTATION – ANALYTICAL APPROACH 11

Anamarija Stjepanovic, Ivo Mijoc, Martina Bris Alic

HOUSEHOLDS WITH CHILDREN BY BREADWINNER TYPE: INCOMES, POVERTY AND CHILD CARETAKING 12

Martina Pezer

EDUCATION AND EMPLOYMENT MISMATCH IN THE KURDISTAN REGION OF IRAQ: CAUSES AND IMPLICATIONS 12

Lara Chapuk Dzaye

NON-FINANCIAL REPORTING AND FINANCIAL PERFORMANCE OF COMPANIES LISTED ON THE ZAGREB STOCK EXCHANGE

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ABSTRACT

Sustainable business has become the main business challenge for companies due to its influence on business strategy. The biggest challenge for all companies is how to boost sustainable development and business profitability. Without good results, companies cannot survive, nor develop a sustainable business. At the end of 2022, the European Commission adopted Directive (EU) 2022/2464 which increased the number of reporting entities and reporting transparency. This paper covers a sample of the financial statements of 31 companies listed on the Zagreb Stock Exchange for the 2012–2021 period (310 firm-year observations) and it examined whether there was a correlation between business performance Tobin's Q, ROA, ROE, and the obligation to publish non-financial reports, voluntary or obligatory. A statistically significant negative correlation was found between ROA after obligatory publications and non-financial reports. It was found a positive statistically significant correlation between ROE before obligatory publishing of reports and non-financial reports. In the study, there was not found a statistically significant difference in Tobin's Q, ROA or ROE depending on which period of publication is calculated, voluntary or obligatory. An increasing number of Croatian companies deal with ESG issues and voluntarily publish their non-financial reports. All stakeholders should pay more attention to work in ESG areas and value those who do.

Keywords: *ESG, Non-Financial Reports, ROA, ROE, Tobin's Q*

LEADING THROUGH CONFLICT; HOW MANAGERS CAN USE CONFLICT EFFECTIVELY

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ABSTRACT

When there is more than one person in a room, there is opportunity for conflict. However, many workers and managers either view conflict as a negative aspect of the workplace or avoid it all together, hoping it will work itself out. When handled effectively and intentionally, managers have an opportunity to use conflict as a way to strengthen teams by embracing differences of opinion and learning skillful handling of conversations with employees. It is vital that supervisees feel heard and respected and have an opportunity to not only air grievances but to use the perceived conflict as a tool towards better understanding, cohesiveness, and forward movement and productivity. Viewing conflict through the lens of diversity, equity, and inclusion, and bearing in mind a long history of colonialism, oppression, and both explicit and implicit bias and prejudices, we analyze how conflict can be effectively utilized in the workplace. Understanding cultural context, emotional safety, and perceived levels of respect are important in order to better understand employees' willingness or reticence to engage in exercises

involving conflict resolution. By exploring conflict avoidance, confrontation, task vs. relational conflict, interpersonal and transactional trust and other related themes, managers will have an increased understanding of the dynamics of inter-personal strife and knowledge about de-personalizing conflict. Additionally, this paper explores skills to help managers better lead their teams through difficult times, including the use of reflective listening, documentation, outside moderation, team building, and other strategies. Conflict can be seen as something destructive and needing to be avoided, or it can be used as an effective pathway towards increased understanding and solicitation of ideas with the goal of problem-solving.

Keywords: *Conflict Management, Conflict Resolution, Effective Management*

BITCOIN AND POTENTIAL MARKET CORNERING

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ABSTRACT

In line with the large media coverage of cryptocurrencies, the impact they have on the financial market, it is important to understand the basics of the functioning of this relatively new virtual financial instrument and understand its importance in today's market. Thanks to the noticeable increases in the price of Bitcoin and other leading cryptocurrencies, many traders and investors have made profits, which further encourages the attractiveness of investment. However, with the undoubted presence of the bull market for many years, there is also high volatility and sudden and hitherto unrecorded price corrections, which opens space for calculations about the coming of the bear market and the profitability of short selling. The authors explore the possibility of forming a corner market for Bitcoin trading, as well as the risk of long and short positions. The authors conclude that due to its global spread, the formation of a corner cannot be expected in the near future, but call for caution when entering positions due to the possibility of significant and unpredictable fluctuations.

Keywords: *Cryptocurrencies, Market corner, Short selling, Investing, Financial market*

THE IMPACT OF DIGITAL MARKETING ON CUSTOMER SATISFACTION

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ABSTRACT

In today's highly competitive business environment, innovation has become a critical factor in driving success and growth. One of the most significant areas where innovation has a direct impact is marketing. As companies strive to attract and retain customers, they are increasingly turning to innovative marketing strategies to differentiate themselves from their competitors. This study explores the link between innovation and customer satisfaction, particularly in marketing. The research finding revealed that digital marketing has a fundamental impact on the satisfaction of customers to a massive extent. The research also indicated that database marketing depending on technology has a significant role in establishing customer relationships. Nonetheless, some pieces of the literature indicated that network marketing and the presence of a good relationship among the customers' suppliers, distributors, and other competitors was utilized to some extent. The findings are in agreement with the previous and present literature. Interactive marketing practices are based on the physical modalities that boost the social procedures and connection between the potential buyer and seller. The connection or relationship is viewed both as, formal and informal, depending on the consumer's requirement. However, the connection is mutual and beneficial to all parties. In short, the study's findings unveil that digital marketing, database marketing, network marketing, and interactive marketing play a significant role in the satisfaction of customers.

Keywords: *Customer Satisfaction, Digital Marketing, Database Marketing, Interactive Marketing*

REAL WORLD ENVIRONMENT APPLICATION OF AUGMENTED REALITY

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ABSTRACT

Augmented reality is a broad term and encompasses all technology between the real world and virtual reality. Augmented reality consists of virtual 3D objects integrated into a real 3D environment in real time. The medical, educational, entertainment, industrial and marketing purposes and applications of augmented reality were researched, as well as examples that illustrate the use of augmented reality in this area well. Augmented reality brings virtual information or objects into any indirect view of the user's real environment to enhance the user's perception and interaction with the real world. Augmented reality connects virtual and real objects and even scenes to maximize the natural and intuitive real-time user experience. It is an interactive environment in which real life is enhanced by virtual things in real time. This paper provides a summary and describes the current state of technology, systems, and augmented reality applications. The aim of this paper is to explain the many possibilities that augmented reality technology offers us and how to apply it in different areas.

Keywords: *augmented reality, virtuality, application, examples, virtual objects*

AI APPLICATIONS IN THE PUBLIC SECTOR IN JORDAN USING AIMA

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ABSTRACT

The development of Artificial Intelligence (AI) has drawn increased attention from both practitioners and researchers. Additionally, it has helped to open up a number of doors for the successful integration of AI in the public sector. Because of this, it is essential to have a thorough understanding of the effect, scope and uses of AI in the public sector, as well as the issues that come along with it. The use of AI and the difficulties that come with it have never been explored together; only separately. This implies that a comprehensive assessment of applications that are focused on AI and diverse concerns within the public sector is lacking. This study proposes a model using an AIMA application that analyse and compile pertinent ideas from literature reviews in order to present an overview of AI technology and the difficulties it faces. In addition, the study reviews the Jordan government's plans for its future transformation and the difficulties that come with using AI technology. The reviews in this paper concentrate on certain applications of AI in the public sector. The paper also looks into important aspects of the difficulties brought on by AI. Finally, insights and conclusions are drawn from literature studies, their ramifications for theory and practise are explored, and recommendations for further study of AI in the public sector are given

Keywords: *AI, Public Sector, AIMA Applications*

THE IMPACT OF NON-PERFORMING LOANS ON BANK PROFITABILITY: EVIDENCE FROM COMMERCIAL BANKS OF UZBEKISTAN

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ABSTRACT

The goal of this research was to investigate the link between bank-specific factors, specifically the impact of non-performing loans and macroeconomic factors on bank performance of commercial banks of Uzbekistan. By gaining an understanding of the connection between these factors on bank profitability, it can help to ensure that the financial system remains stable.

Furthermore, determining profitability measure could help to adequately allocate capital, increase the financial stability. This study will provide new insight into Uzbek commercial banks and attempt to fill and address research gaps. To provide empirical evidence, quantitative research designs were adopted to determine bank profitability indicators, ROE and ROA. The study employed Random Effects, Fixed Effects and Pooled OLS methods of estimations. A total of 20 banks, with 9 state-owned and 11 private and joint-stock commercial banks were chosen for the years of 2014 to 2021. Our findings will suggest that NPLs have a negative impact on bank profitability in Uzbekistan. Specifically, we expect to find that an increase in NPLs reduces both ROA and ROE, indicating that banks with high levels of NPLs are less profitable. Our results will be robust to various sensitivity tests, including controlling for bank-specific and macroeconomic factors. Moreover, our results expected to show that the impact of NPLs on bank profitability is more pronounced in state-owned banks compared to other banks. This suggests that state-owned banks are more vulnerable to the negative effects of NPLs and may need to take additional measures to manage their credit risk. As Uzbekistan is in the important economic area and the study for Uzbek commercial banks had not been widely studied and lacked enough discussion, this study would contribute to fill the research gap in Uzbek financial market and provide solid policy recommendations for government stakeholders and individuals. The following research will apply wider range of determinant variable on bank performance in the context of Uzbek commercial banks. The variables to be included are Capital Adequacy, Liquidity ratio, Deposits ratio, Ownership, Capital account openness, which had not been widely researched in Uzbek commercial banks. In addition, two dependent variables are presented in the study. To analyze data, various econometric model fit test applied.

Keywords: *Bank performance, Uzbekistan's commercial banks, Bank-specific factors, Macroeconomic factors*

GLOBAL MINIMUM TAX: A SUSTAINABLE MODEL FOR REVENUE ADMINISTRATION

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ABSTRACT

The Organisation for Economic Co-operations and Development (OECD) introduced the Global Minimum Tax (GMT) as a means to prevent or reduce revenue loss resulting from profit shifting activities, a practice commonly engaged by firms to move profits to lower tax regimes in order to reduce or eliminate tax liabilities. This article seeks to provide a comprehensive understanding of the GMT system which is planned for full implementation in 2024, and the impact it would have on both developed and developing countries. This article also provides a discussion on how multinational corporations may respond to this new tax system. In many perspectives, the GMT could be viewed in the context of supporting the United Nations' Sustainable Development Goals, including those on reducing inequalities, economic growth and international partnerships.

Keywords: *GMT, profit shifting, tax haven, tax avoidance*

THE IMPACT OF THE COVID-19 PANDEMIC ON THE BUSINESS RESULT OF THE ETSY PLATFORM

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ABSTRACT

The aim - is to research and analyse the impact of the global Covid-19 pandemic on the overall business result of the Etsy platform. The results of the research are the basis for comparing the impact of the pandemic on the operations of corporations in the model of the platform economy. Methodology / Design – selected financial indicators of the platform's operations, as well as the trend of the number of platform users, were used in the research and analysis. The research used financial and statistical analysis models to investigate how the pandemic affected the platform's business performance. The result - the research results indicated a significant positive correlation between the development of the pandemic and financial indicators, as well as the increase in the number of platform users. Conclusion - the research results proved the correlation between the development of the pandemic and the business performance of the corporation. The growth of income and profits, as well as the growth of the number of users, is directly related to the global development of the pandemic.

Keywords: Covid-19, Etsy, disruption, online retail, platform economy

EFFECTUATION AND HEXACO MODEL AS A CONSIDERABLE ELEMENTS FOR UNDERSTANDING THE CHARACTERISTICS THAT MAKE ENETREPERENURS PROSPEROUS

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ABSTRACT

Entrepreneurship is a key source for economic development and prosperity. Entrepreneurs have very challenging role, especially in time of economic crisis. Entrepreneurs' personal characteristics are seen as the crucial factor for business success. Not all environments provide equal opportunities and not all entrepreneurs are equal on abilities to recognize opportunities. Most of entrepreneurs do not succeed in creating lasting organizations (Kuratko, 2009). According to Shane and Venkatarman, individuals and the way they use their prospects are the essential of the entrepreneurship phenomenon (Shane and Venkatarman, 2000). Person who

leads the company has a liable role of company's directions and outcomes, therefore we can conclude that top management, in our case entrepreneurs have important role of guiding and shaping the companies outcomes We will also put our consideration at some personality traits and models (self-efficacy, recognizing opportunities, and perseverance, human and social capital and social skills) that makes entrepreneur successful. Furthermore we will analyze the role of effectuation that successful entrepreneur should have as a tool for his business viewpoint and company should use adequate tools for recognizing specific personality traits and recognizing talented entrepreneur. To maintain motivated and good performance entrepreneurs it is crucial to manage entrepreneurship and explore required skills through statistical models. This paper will explore the definition of entrepreneurship, effectuation as well as HEXACO model as a possible tips how to manage entrepreneurial evaluation and development based on previous researches.

Keywords: *effectuation, HEXACO model, entrepreneur, business model*

CHALLENGE AND OPPORTUNITY OF SUSTAINABLE TOURISM: CASE OF MOROCCO

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ABSTRACT

tourism has not failed to demonstrate its limits following the selections it has operated: territorial dependence, socio-economic inequalities, poverty, rural exodus it is then that a more egalitarian development affecting all populations imposes itself and brings out the concepts of proximity, participation, partnership and territory. It is high people admitted tourism has its limits as there have been consequences. Indeed, several NGOS as well as international organizations aiming at the protection of the environment see that destructive or harmful tourism is losing ground it is being substituted or replaced by eco-friendly tourism. This latter target the preservation of mother earth as well as its natural resources by providing tourists with organic products. This green or sustainable tourism tries at all costs to promote commodities and cultures. Sustainable tourism is actually more prosperity and progress but on condition that the local authorities and the government cooperate more to give a push to this kind of business via perfect human resources the adhesion of the populations are valued. Of the profound socio-cultural changes have taken place, changing the demand for the product sightseeing. Customers adopt new behaviors, they demand a product different tourism and changes its consumption patterns.

Keywords: *Sustainable tourism, rural tourism, sustainable development*

ECONOMIC ASPECT OF THE TECHNOLOGY TRANSFER PROCESS IN THE BIOTECHNOLOGY SECTOR

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ABSTRACT

Since the 1980s biotechnology has been recognized and accepted as a strategic technology sector by most industrialized countries. Biotechnology is one of the fastest-growing industries and stimulates economy competitiveness on a national and global scale. In general, biotechnology plays an important role in sustainable socio-economic development. Technology transfer in the field of biotechnology is a process of transferring and commercialization of scientific research results, methods, procedures, and techniques from one company, organization, or country to another. This paper aims to investigate and explain the economic aspect of the technology transfer concept and process in the biotechnology sector and to determine the relevant factors crucial for its successful implementation. Besides the definition and conceptualization of the relevant steps in the technology transfer process, the key factors for the successful process such as patents and R&D investments in the biotechnology sector and their interconnection are analyzed and elaborated. The results confirm that patents and R&D investments are important factors for the successful technology transfer process in the biotechnology sector and have a positive impact on the national economy competitiveness. The results of the conducted research will serve as a basis for future research on the definition of relevant factors for successful technology transfer processes in the biotechnology sector with a particular focus on developing countries.

Keywords: *biotechnology sector, competitiveness, technology transfer process*

COUNTRY OF ORIGIN EFFECT ON CONSUMER BEHAVIOR: EXPLORING CONCEPTUAL AND THEORETICAL FRAMEWORKS

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ABSTRACT

In the context of globalization, businesses have extended their operations across numerous international marketplaces. This review paper indicates that consumer perceptions pertaining to the product's Country of Origin (CoO) wield a significant impact on both how consumers

evaluate the product and their likelihood to proceed with a purchase. CoO functions as a strategic marketing tool, forging a connection between companies and their geographical origins, thus enabling consumers to correlate their assessments of a product with its inherent value. The central focus of this paper is to delve into the definition and constituent elements of the CoO concept, while simultaneously exploring pivotal aspects of consumer behavior. Furthermore, it aims to delve into the theoretical models that are employed to elucidate the influence of CoO on consumer purchasing behavior and also to investigate the effect of CoO and its treatment within the realm of academic research.

Keywords: *Country of Origin (CoO) effect, Consumer Behavior, Cue Utilization Theory, Elaboration Likelihood Model, Categorization Theory, "Made In", Country Image, Brand Origin*

REGULATORY FRAMEWORK REGARDING THE ISSUE OF ROTATION OF AUDITING COMPANIES IN RELATION TO THE INDEPENDENCE AND QUALITY OF AUDITORS

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ABSTRACT

Member States, auditors and supervisors should benefit from more harmonised requirements, legislation and standards. However, it is necessary to further harmonise those rules at Union level in order to allow for greater transparency and predictability of the requirements imposed on those persons and to strengthen their independence and objectivity in the performance of their duties. In order to enhance investor protection, it is important to bolster public oversight of statutory auditors and audit firms by reinforcing the independence of Union public oversight bodies and providing them with adequate powers, including investigatory powers and the power to impose sanctions. The aim is to detect and prevent breaches of the applicable rules in relation to the provision of audit services by approved statutory auditors and audit firms. Given the general importance of public interest entities resulting from the size and complexity of their business or the nature of their activities, it is necessary to strengthen the credibility of the audited financial statements of public interest entities. Therefore, the specific provisions on statutory audits of public interest entities introduced by Directive 2014/56/ EC have been further developed in Regulation 537/2014 on statutory audits.

Keywords: *rotation, directive, regulation, European Union, independence, quality*

APPLICABILITY OF DIFFERENT OPTIONS ON MANDATORY ROTATION – ANALYTICAL APPROACH

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ABSTRACT

Regulation (EU) No 537/2014, which relates to specific requirements for the statutory audit of public interest entities, has, in addition to the requirements for carrying out the statutory audit of annual financial statements and consolidated financial statements of public interest entities, also laid down organisational rules and rules for the selection of audit firms and approved statutory auditors in order to promote their independence, i.e. to avoid conflicts of interest and to reduce the impact on the quality of the audit carried out. In addition to strengthening the monitoring and control of the reliability of financial reporting and reviewing the procedures for applying the laws and regulations of the audit committee, the regulation also prescribes the mandatory rotation of audit firms and statutory auditors, limiting non-audit services and determining the percentage value of fees from the provision of non-audit services received by the statutory auditor. Mandatory audit firm rotation sets a cap on the number of years an audit firm may audit a client's financial statements and has been proposed as a means of maintaining auditor independence and enhancing public confidence. The threats to auditor quality and independence, as well as the risk of conflict of interest are often related to the duration of the audit engagement, i.e. the development of a long-term relationship between auditors and clients. This paper examines in more detail the applicability of the different options for mandatory rotation in EU countries.

Keywords: *rotation, audit firms, audit engagement, public interest entities, EU*

HOUSEHOLDS WITH CHILDREN BY BREADWINNER TYPE: INCOMES, POVERTY AND CHILD CARETAKING

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ABSTRACT

Women, particularly mothers, confront numerous challenges when striving to attain a balance between their work and personal lives. They often encounter obstacles when entering the job market, earning lower wages, and juggling household responsibilities, childcare, and careers. This study delves into the disparities among households with children based on the gender of the primary earner, investigating their income levels, attitudes, and distribution of childcare tasks. Data from the "Generation and Gender Survey" (GGS) is employed. The GGS is an international survey that examines inter-generational and gender dynamics, family interactions, fertility patterns, and other related aspects. The analysis employs various methods, including descriptive data analysis, comparative assessment and regression modelling. The research focuses on three countries with varying welfare and gender systems, child poverty rates, female workforce participation, and economic development: Bulgaria, France, and the Netherlands. The findings underscore variations in the prevalence of female breadwinner households across these nations. Bulgaria demonstrates the highest proportion, trailed by France and the Netherlands. Households with earnings homogeneity generally boast the highest incomes. Notably, Bulgaria exhibits the largest share of economically disadvantaged households. Moreover, the study reveals attitudes concerning women's higher earnings within a household and the division of child caretaking tasks across countries and household types. Given that growing up in financially struggling households often has adverse effects on children, comprehending the contributing factors to this dynamic and disparities within households holds significant importance. This study further contributes insights into the efficacy of family-oriented policies, shedding light on their impact and effectiveness.

Keywords: *economic deprivation, gendered work-life balance, generations and gender survey, household income*

EDUCATION AND EMPLOYMENT MISMATCH IN THE KURDISTAN REGION OF IRAQ: CAUSES AND IMPLICATIONS

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ABSTRACT

This study aims to explore the causes and implications of the education and employment mismatch in the KRI by investigating two research questions: question one, determining the current ratio of degree holders working in their field of specialization and identifying the factors contributing to the mismatch. Question two, The perspectives of government officials, business leaders, labor unions, and academic experts are analyzed to gain comprehensive insights. To address the first research question, quantitative data is collected through an online

survey questionnaire administered to degree holders in the Kurdistan Region of Iraq (KRI). Descriptive statistics, cross-tabulation, and binary logistic regression analysis are used to analyze the data and identify significant predictors of the education-employment mismatch. For the second research question, qualitative data is obtained through in-person interviews with government officials, business leaders, labor unions, and academic experts in the region. Thematic analysis is applied to identify common themes and patterns related to the factors influencing youth unemployment across industries and sectors. The findings of this study provide valuable insights into the education-employment mismatch in the KRI and its implications. The analysis of the quantitative data reveals the current ratio of degree holders working in their field of specialization and identifies significant factors contributing to the mismatch. The qualitative analysis of the interviews sheds light on the key factors influencing youth unemployment and highlights variations across industries and sectors. The implications of this research are multifaceted. It calls for targeted policy interventions and programs aimed at reducing the education-employment mismatch and addressing youth unemployment in the KRI. Recommendations include strengthening public-private partnerships, improving education curriculum, promoting entrepreneurship, encourage youth skills development, implementing social protection measures, promoting governmental programs, promoting ministry monitoring, and spread the importance of labour unions. The study emphasizes the importance of aligning educational curricula with the needs of the labor market. Overall, this research contributes to the understanding of the education and employment mismatch in the KRI and offers valuable insights for policymakers, educational institutions, employers, and other stakeholders. By addressing the underlying causes of the mismatch and implementing appropriate measures, the region can create a more harmonious and sustainable education-to-employment transition to foster economic growth, social stability, and improved livelihoods for its youth population.

Keywords: *Employment Mismatch, Education-Occupation Disparity, Kurdistan Labour Market, Skill Underutilization, Economic Implications*



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