

Political Instability Investment Behaviour in Pakistan

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Abstract

The study investigates the impact of political instability on Foreign Direct Investment (FDI) as well as private investment in Pakistan from 1990-2019. Control variables include trade openness, inflation, real GDP, interest rate, interest rate differential. We have employed Zivot Andrews stationarity test. The study makes use of the recently introduced dynamic ARDL simulation framework. The long-run results of our first object show the negative association between FDI political instability. Concerning the factors, we used as controls trade openness, real GDP, interest rate differential boosts the FDI inflows whereas inflation remains insignificant. the short-run result infers that the rate of adjustment is about 25%. As for as our second objective is concerned the dynamic ARDL model's long-term findings indicate that political instability deteriorates private investment. As for as control variables are concerned trade openness real GDP are positively associated with private investment whereas interest rates dampen it. Inflation remains insignificant in affecting private investment. Short-run results show that the speed of adjustment is 53% annually. It is suggested that the government has a responsibility to create an atmosphere that promotes both domestic foreign investments. Investor confidence will be boosted through greater governance, higher institutional quality, especially political stability.

Keywords: Political Instability, Error Correction, Institutional Quality, FDI, Private Investment.

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1. INTRODUCTION

Political instability refers to the possibility of a government collapse owing to constitutional or unconstitutional reasons. Furthermore, government change enhances the likelihood of resulting modifications. On the one h, economic growth slows down due to an uncertain political environment.

Poor economic performance, on the other side, may lead to government collapse. Political stability from the perspective of growth, means a certain form of stability: the rule of law, strong institutions, an efficient bureaucracy, low corruption, an investment-friendly business climate. Because stability entails a stable political climate, the economy may fare well in terms of attracting foreign investment.

It is supposed truly that investment will be affected by uncertainty, both macroeconomic political. The country which is facing political instability economic uncertainty will face strong opposition from investors (Abdelkader, 2017). Uncertainty regarding the new policies of a possible new government makes the people hesitant to accept the risks they choose to invest elsewhere. Political instability is a serious problem for wealthy nations as well as emerging economies. Foreign buyers decrease when a country experiences political instability, which in turn results in weak financial growth. Political instability badly affects the economy. Law orders are guaranteed by political stability, a stable political system is necessary for the prosperity advancement of the country. If policies are distorted inconsistent, the government is thought to be inefficient. Political instability economic growth is related. First, political unrest raises uncertainty, reducing private investment. Second, political turmoil influences demand, which has a significant impact on economic growth. The literature claims that politically unstable countries are economically impoverished have insecure policies (Alesina Perotti, 1996).

FDI is a source of capital for developing nations for investment motives. It also contributes to the creation of job possibilities, which leads to higher economic growth. Pakistan regarded FDI as a critical source of funding to bridge the resource imbalance. FDI has been demonstrated to increase productivity create competitiveness among manufacturers in developing nations (Yousaf et al., 2008). Foreign investors are concerned with the stability of institutions in assessing the level of expected return on their investment. The high rate of expropriation (the act of a state or authority that appropriates property from its owner for public use or benefit) is due to less legal protection of assets greater political instability, which reduces the attractiveness of the investment. There can exist different forms of expropriation depending on the circumstances. The investment decision by foreign investors mainly focuses on the political situation of a country. The damage of property or confiscation, production interruptions, personnel facing threats which include a restriction on business operations that hinder the capacity of investors to take certain actions, disturbances, modifications in the macroeconomics management or

regulatory environment. The unstable environment brings doubts in the minds of investors to risk their hard-earned capital. The foreign direct investment inflow rapidly reduced in many Asian countries due to corruption based on political motives (Nazeer, 2017).

Pakistan has been dealing with several issues, including foreign domestic challenges. Pakistan has encountered financial market challenges since the financial market structure has not been fully developed. Externally, Pakistan is dealing with an exchange rate a trade imbalance. Pakistan has been unable to establish political power due to a lack of a stable government, financial difficulties, a lack of social development (Hashmi et al., 2012). However, Pakistan is now facing various investment hurdles because of political uncertainty. Investors are cautious about investing in Pakistan (Attari et al., 2011).

1.1. Research Problem

FDI is crucial for the economic growth prosperity of Pakistan since the country has a savings investment disparity. Pakistan's economy is unable to create sufficient internal resources for sustained growth; hence, FDI supplements local investment to achieve economic objectives. FDI inflows facilitate technological spillover, employment output, managerial skills, human capital hence boost economic growth.

FDI inflows have increased dramatically almost everywhere in the world during the last two decades. In Pakistan, FDI inflows increased following financial market liberalization in the late 1980s. Since 2007, FDI inflows have been steadily declining. The investment-to-GDP ratio has declined, having a detrimental impact on employment levels. Multinational corporations invest in politically stable areas. As a result, international corporations consider the political stability of an economy when determining where to invest (Thompson Poon, 2000). Pakistan is consistently struggling with political instability, which discourages FDI. Akhtar (2000) has described that in Pakistan, an unstable political environment is a common occurrence, impacting every economic sector lowering investor confidence in Pakistan's investment climate. Due to Pakistan's volatile political climate, foreign as well as domestic enterprises are cautious to invest there. Because of the uncertain political situation, investors are hesitant to invest in Pakistan.

1.2. Contribution

Much research has been undertaken to assess the significant relationship between FDI economic growth in Pakistani other countries. The

bulk of these studies have indicated that FDI has a positive influence on economic growth. However, no research has been found that explored the links between FDI inflows political stability in Pakistan. Our empirical findings indicate a long-run relationship between political instability investment in Pakistan. As a result, our study aims to fill the gap in the literature would be extremely useful to policymakers' important economic decision-makers. Moreover, our study contributes by incorporating the most modern econometric technique, dynamic ARDL.

1.3. Objectives Significance of the Study

In light of the aforementioned, the study aims to investigate the dynamic relationship between political instability investment (both domestic foreign) in Pakistan from 1990 to 2019. The study will provide long-run as well as short-run estimates of political instability domestic foreign investment. We have also used novel dynamic ARDL simulation, the most modern econometric approach to examine the dynamic relationship between political instability investment. Based on the results of this investigation, Future researchers will be capable to do comparable research for different nations. Cross-country analysis has been the main methodology in earlier studies, which is sensitive to the sample countries. Recently, the focus has now switched to individual nation analysis thereby appropriate policy suggestions can be made considering the variations in size, location, features, etc. that exist between countries.

There are five sections in the study. In section one, there is an introduction that includes the research problem, research gap, study's aim. The next section focuses on the review of prior literature the literature gap. Section three discusses the empirical model, variables, methodology. Section four analyses the results discussion; descriptive analysis, correlation matrix, the findings of the stationarity test, dynamic ARDL. The final section discusses the conclusion policy recommendations.

2. LITERATURE REVIEW

A literature review is a comprehensive overview of previous research determines a theoretical base for the research. We have covered the earlier research on the subject in this section.

2.1. Political Instability and Foreign Direct Investment

Both theoretical empirical research on FDI motivation MNEs' formation has pointed to several factors which affected FDI inflows. The

neoclassical theory states that FDI enhances the host nation's economic development by raising its standard of living. FDI encourages capital formation in the host nation, which influences profit reinvestment additional capital inflows. The purpose of dependency theory is to close the technological gap.

Many East Asian Latin American countries adopted this theory throughout the 1970s, but eventually had to adapt to liberal policies, resulting in a shift from closed to open economies. Industrialization theory spillover effects consider foreign direct investment (FDI) to be a transfer of capital, management, new technology is defined as a manifestation of industrial organization theory.

As far as empirical literature is concerned Buthe (2008) observed that developing countries see the variation in foreign direct investment in different periods. It is difficult to comprehend how political factors affect these flows. He stated that foreign investment can be increased by assuring foreign investors of the treatment of their assets as outlined in international trade agreements like Preferential Trade Agreements GATT/WTO. The deviation from these international agreements becomes expensive for the countries so they are more reliable for the investors as compared to domestic policies. The developing countries see more FDI inflows after being part of WTO PTAs as they are providing greater protection to foreign investors.

Asiedu (2011) explained that non-resource resource-importing countries show similar associations in the case of FDI democracy as FDI is highly affected by democracy. The data for 1982 to 2007 from 112 developing countries is used to estimate the relation whether the host country's ownership of natural resources has any effect on this relationship or not. It is concluded that the value of oil the value of mineral's share in total export above a threshold level promote FDI in the presence of democracy. It is also noted due to the expansion of democracy, the FDI is reducing in 22 countries increasing in ninety countries.

The impact of political instability on Pakistan's economy was examined by Tabassam et al. (2016). The annual data is in four parts which cover the last twenty-two years. The GARCH ARCH models are used to investigate how political uncertainty affects economic growth. It is concluded that terrorism harms the dependent variable from all other variables like elections, strikes, regimes. The conclusion is that political instability retards economic growth therefore a greater role by the government is needed to bring political stability.

Cotte Martinez (2019) looked at political violence economic growth. To measure economic development political violence, different datasets were used from 2000 to 2014 using panel fixed effects the GMM. The model for political violence describes that political violence is negatively affected by

health coverage, education, arrests, the aggregate-level production per capita while positively affected by illegal drugs, GINI displacing population, unemployment rate. The model for economic development is negatively affected by corruption, armed action, political violence while positively affected by political participation, saving, manufacturing, employment, production.

According to Bano et al. (2019), terrorism, political unrest, financial instability, energy shortages, all cause a decline in FDI inflows to Pakistan. The analysis is robust as they are based on events before after the financial crisis. ARDL is used to combine integrate different variables. According to the findings, terrorism has less impact on FDI inflows to Pakistan than economic instability, energy scarcity, political instability. Still, the primary reason for the decrease in FDI inflows to Pakistan is energy scarcity terrorism.

The relationships between Bangladesh's exchange rate foreign direct investment were examined by Qamruzzaman Karim (2019). The results of the study show that monetary policy, public policy, FDI, exchange rates have a long-term relationship. The FDI inflows are reduced when the exchange rate changes positively for the US dollar, while FDI inflows reduce to positive shocks.

Sujit et al. (2020) analysed how FDI in the US market is impacted by risk, governance, macroeconomic factors. A stronger Euro results in more FDI in the US. Investment in research development is a crucial factor contributing to the increasing activity of FDI. The more the FDI inflows, the higher will be the firm profitability. In markets like the United States, exports imports are important determinants in determining FDI. Inflation has a detrimental influence on FDI flow. FDI intensity is negatively associated with inflation. Firms' FDI activity tends to be lower when the country's corruption levels are high.

Yusuf et al. (2020) investigated how political upheaval, democracy, FDI, financial development influenced economic growth in West Africa. The study uses dynamic fixed effect methodology secondary data gathered from 1996 to 2016. The economic growth increased by 0.26% in the sub-region of West Africa due to increasing of 1% in FDI inflow. During the empirical study, no meaningful association is found in the short run. Political instability retards the growth of different countries significantly. The FDI is an important tool that results in both higher production growth.

Association among the FDI, trade, economic growth was observed in India by Kumari et al. (2021). The outcome demonstrates that none of the three factors mentioned above are related over the long run. FDI drives economic growth, economic growth drives FDI, according to VAR Granger, which shows

bi-directional causality. Economic growth trade openness has no bidirectional relationship.

VO and HO (2021) examined the mitigating effects of free trade agreements on the connection between FDI inflows trade openness to ASEAN countries (FTAs). The research indicated a powerful positive influence of FTAs trade openness on FDI inflows.

2.2. Political Instability and Private Investment

In general, five basic approaches are considered when determining the drivers of investment. The basic accelerator model, the liquidity theory, the anticipated profits theory, Tobin's Q Theory, the neoclassical flexible accelerator theory is among the primary strcs of investment behaviour. According to neoclassical investment theory, real GDP growth private investment is directly related (Greene Villanueva, 1991; Fielding, 1997). Similarly, to this, it has also been argued that income level influences private investment favourably because higher-income countries tend to invest more of their money in domestic savings. These savings are then utilized to finance investments (Greene Villanueva, 1991). Jorgenson (1971) colleagues developed the neoclassical approach, which is a modified form of the flexible accelerator model. According to this approach, the desired capital stock is proportional to output the user cost of capital.

As for as empirical literature is concerned Frimpong Marbuah (2010) investigated the determinants of private sector investment in Ghana. The findings demonstrate the long-term effects of foreign debt, exchange rate, real output, external debt, openness on private investment. Inflation, openness, constitutional rule are determinants of private investment in the short run.

Morrissey Udomkerdmongkol (2012) investigate the dynamics of FDI domestic private investment under different components of governance. For forty-six developing countries annual aggregate data was used covering the period 1996–2009. It is evident from the results that countries with better governance have a large amount of total investment (FDI private). Political instability corruption has a substantial influence on investment. Governance has a direct influence on private investment FDI.

Ali et al. (2013) investigated political instability its effects on private investment from 1972 to 2009 in Pakistan. To study the investment dynamics in the short, long run respectively, ARDL was used. Private investment political instability is negatively associated over the long, short terms. FDI public sector investment both stimulate private investment in Pakistan. For a stable

flourishing economy, a stable political environment is required which attracts domestic foreign investors for investment without any hesitation.

Hira (2017) examined how the behaviour of corporate investors is affected by political uncertainty which is resulting from the change in stock prices in Pakistan. The data for the period 1998 to 2012 is obtained from the yahoo finance index for the stock market. Political instability stock market index is analysed concerning one another using ARDL. Political unrest stock prices are demonstrated to be negatively related. An unstable political system frequently causes stock prices to decline. The stock prices have positive relations with exports industrial production a negative relationship with inflation.

Baker et al. (2019) concluded that the stability of the political environment in a nation affects the efficiency of its economic institutions. It is determined how political stability affects public-private partnerships. The monopoly is over by a stable political environment by building useful institutions. The Regression analysis of data from 1999 to 2014 for twelve countries showed that GDP per capita is affected by private infrastructure in the presence of a stable political environment.

Abedin et al. (2020) reinvestigated the association between domestic investment remittances in Bangladesh. When a currency depreciates per capita GDP rises, remittances rise, domestic investment rises as well. The supremacy of the investment motivation of remittances is claimed by the considerable positive influence of per capita GDP foreign exchange rate on remittances, over the long run domestic investment is positively impacted by remittances. This study argues that to increase remittances, for the interests of the economy, it is crucial to keep the domestic currency depreciation at a controllable level. Apart from that, a double-digit interest rate deters domestic investment.

Maradze Nyoni (2020) investigated how in Zimbabwe, private investment is affected by the influence of interest rates. To increase private investment in Zimbabwe, it is needed to explore the strategies that reduce interest rates the crowding-out impact. In addition, it is important to promote positive international relationships.

Rasmane et al. (2020) explored the influence of public investment in sub-Saharan Africa from 1980 to 2015. It is shown that private investment is impacted by public investment differently in three different groups of countries. The high risk of repatriation of profit, conflict, terrorism does not exist in the group where public-private partnership takes place.

Tung Thang (2020) examined seventeen countries in Asia 32 countries in Africa, in a total of 49 developing nations, to assess how FDI will affect private investment. FDI complements private investment. Past behaviour of

private investment also significantly determines it. In the full-panel sample trade openness, per-capita GDP, electricity enhances the private investment. The level of private investment in Asia is influenced significantly by variable electricity.

Nigerian interest rates investment was analysed by Alobari et al. (2021). Multiple regressions demonstrated that high-interest rates have a detrimental influence on investment. Government should establish policies that encourage saving lower prime lending rates for legitimate investors. It also argues that, because income savings are intertwined, relevant authorities should adopt economic measures that raise people's income levels to mobilize investment.

Anwar et al. (2021) studied how investment is impacted by the real interest rate in Pakistan for the period 1964 to 2012. The long-term relationship is examined using the Johansen Cointegration test among investment, interest rate, level of income. The primary hypothesis of this study is that real interest rates investment has an adverse relationship in Pakistan.

Awad et al. (2021) examined that in Palestine, private investment is impacted by political instability interest rates. The main findings support the neoclassical notion that interest rates deter private investment. There is no long-term association, according to the various empirical investigations. The loan rates domestic investment is also not correlated.

2.3. Research Gap

Several studies have been executed to determine the substantial association between FDI economic growth in Pakistani other countries. Most of this research has found that FDI boosts economic growth. However, no research has been found that has explored the links between FDI inflows political stability in Pakistan. As a result, our study seeks to fill the gap in the literature would be extremely useful to policy makers important economic decision-makers. Moreover, our study contributes by incorporating a recently developed econometric technique, dynamic ARDL.

3. DATA METHODOLOGY

This section includes a summary of the statistical procedures as well as descriptions of the variables the relevant data sources.

3.1. Empirical Model

The causes contributing elements for FDI inflow fluctuate over time, while the priorities for growth development remain constant. The neoclassical

theory states that FDI enhances the host nation's economic development by raising its standard of living. FDI encourages capital formation in the host nation, which influences profit reinvestment additional capital inflows. Our approach for modelling FDI inflows builds on past research that made use of a multidimensional model. The chosen determinants are expected to affect FDI inflows due to their frequent inclusion as location-specific components in the OLI paradigm (Dunning, 1991 1998). These are political instability, trade openness, interest rate (IR), interest rate differential (IRD), inflation rate, real GDP. The host nation's political, social, economic characteristics affect the OLI parameters. It is important to look at how different features of the host nation's economy affect FDI inflows. Following Madr Kouba (2015), Musibah (2017), Zouhaier Kefi (2012), Oladipo et al. (2007), Bhatti et al. (2008) we, therefore, postulate the following model.

FDI = f (political instability, trade openness, real GDP, interest rate differential, inflation)

$$FDI_t = \beta_0 + \beta_1 P.Inst_t + \beta_2 TO_t + \beta_3 RGDP_t + \beta_4 IRD_t + \beta_5 INF_t + \mu_t \quad \dots (1)$$

The dependent variable is FDI some important standard determinants of FDI, like trade openness, interest rate differential (IRD), inflation rate, real GDP.

When modelling the variables that impact investment, different approaches are taken into consideration. The model that appears to be applied in research the most common is the flexible accelerator model. According to neoclassical investment theory, real GDP growth private investment is related (Greene Villanueva, 1991; Fielding, 1997). Similarly, to this, it has also been argued that income level influences private investment favourably because higher-income countries tend to invest more of their money in domestic savings. These savings are then utilized to finance investments (Greene Villanueva, 1991). Jorgenson (1971) colleagues developed the neoclassical approach, which is a variant of the flexible accelerator model. This method holds that desired capital stock is proportional to output the user cost of capital.

Considering the discussions above, it is believed that our model for the private investment equation will resemble the following:

PI = f (political instability, trade openness, real GDP, interest rate, inflation)

$$PI_t = \alpha_0 + \alpha_1 P.Inst_t + \alpha_2 TO_t + \alpha_3 RGDP_t + \alpha_4 IR_t + \alpha_5 INF_t + \varepsilon_t \quad \dots (2)$$

The dependent variable is a private investment some important standard factors of private investment, such as trade openness, interest rate (IR), inflation rate, real GDP.

3.2. Description of Variables

The annual inflows as a percentage of GDP (FDI) private investment in the form of gross capital formation as a percentage of GDP are dependent variables. The independent variables are chosen following empirical literature.

Political stability measures the likelihood that the government will remain in power be able to carry out any programs that have been outlined by that government. International country risk guide provides data on government stability. It provides monthly political, economic, financial, composite risk evaluations projections for 141 countries. The data on government stability is based on numerous indicators from different sources. Popular support, government unity, legislative strength are three sub-components of government stability, index ranges between (0 to 12). A minimum score of 0 indicates low political stability, while a maximum score of 12 indicates high political stability. There are high risks of investment concerns of investors in countries where political stability is low. This means that the relationships which are found (positive/negative) will be the inverse of the relationship we are concerned with.

Other measures of political instability have also been employed in the empirical literature. The World Governance Indicators (WGI) describe a lack of violence political stability. This indicator is graded on a scale of -2.5 to 2.5, with 2.5 indicating the most political stability. The Polity Scale is also used to measure democracy, ranging from extremely authoritarian (- 10) to strongly democratic (+ 10) regimes (10). Political instability was quantified in Mankiw's (1995) study by the frequency of coups, wars, revolutions. Political instability was defined by Persson Tabellini (1999) as more frequent bloodshed regime changes or political turmoil. Political instability was quantified by Barro Lee (1993) in their analysis of the number of successful coups, revolutions, political assassinations per million people. Strikes, free press nonviolent demonstrations, internal regional conflicts, other initiatives, according to Campos Nugent (2000). Tabassam et al. (2016) used a variety of political instability measures, including strike dummies as a proxy for political instability. A proxy is employed through a dummy election to quantify political instability.

3.2.1. Control Variables

Trade openness is defined as a percentage share in GDP by the combined value of exports imports. Domestic investment FDI are positively impacted by trade openness as FDI flow is more towards open countries, as discussed in empirical studies (Asiedu (2002, 2006); Bende-Nabende (2002); Fedderke Romm (2006)).

Gross domestic product is the representation of income, purchasing power, market size. Domestic investment FDI are positively impacted by higher aggregate demands, the demands are positively impacted by high average income, so consumers' purchasing power is captured by GDP per capita (Brada et al., 2006). According to Chakrabarti (2001), because economies of scale successful resource usage both require a sizable market, the potential for FDI inflow is higher the larger the market in the host nation.

Inflation is the annual percentage change in the average price. It is also a measure of macroeconomic instability consequently, it is predicted to hurt both domestic foreign investment (Anyanwu Yameogo, 2015).

The cost of borrowing the yield on savings are both expressed as the interest rate. In addition to investing in larger returns or higher interest rates, investors will search for low-cost funding sources or lower rates. It implies that money will flow from a low-rate to a high-rate nation. Gross Trevino (1996) explain that FDI inflows will increase in an environment of relatively high interest. It is predicted that differences in interest rates will positively affect FDI influx. The interest rate effect negatively to domestic investment.

3.3. Data Sources

We investigate how domestic private investment foreign investment are impacted by political instability; we will perform a time series analysis for Pakistan from 1990 to 2019. The data source for the GDP is the state bank of Pakistan while the data source for the interest rate is international financial statistics (IFS). Data on trade openness, FDI, inflation, private investment are derived from WDI. International Country Risk Guide (ICRG) is the data source for political instability.

Table 1. Summary of Variables

Name	Representation	Explanation	Scale	Source
Foreign Direct Investment	FDI	Denotes the percentage of annual inflows.	% of GDP	WDI
Private Investment	PI	Gross fixed capital formation measures private investment.	% of GDP	WDI

Trade Openness	TO	The combined value of exports imports as the percentage of GDP	% of GDP	WDI
Inflation	INF	The annual change in the weighted average price of consumer goods (CPI inflation).	Annual %	WDI
Real GDP	RGDP	It is the market worth of the products that a nation has created over the specified period.	Million Rupees	SBP
Interest Rate	IR	It is the amount paid by the borrower on the borrowing of money. It is given by the money market rate.	Annual %	IFS
Political Instability	P.Inst	It is defined as the ability to conduct the declared programs.	0-12 Low to high political stability	ICRG
Interest rate differential	IRD	Interest rate disparity between the home country the US (money market rate)		IFS

3.4. Methodology

3.4.1. Zivot and Andrews Unit Root Test

Conventional unit root tests have the drawback of not accounting for the structural break. Perron demonstrated that when the stationary alternative is true a structural break is disregarded, it becomes harder to reject a unit root. He accomplished this by presuming that the break's timing is an external component. In their version of Perron's original test, Zivot Andrews assume that they are unaware of the exact time the breakpoint occurs. Zivot Andrews test for a unit root using three models by considering structural break: Equ. 1, which permits a single adjustment to the series' level; Equ. 2, which enables a one-time change to the trend function's slope; as well as Equ. 3, which incorporates both one-time variations in the level slope of the trend function. Therefore, Zivot Andrews test for a unit root in contrast to the alternative of a single structural break using the subsequent regression equations.

$$\Delta Z_t = c_0 + \lambda Z_{t-1} + \delta t + \gamma DU_t + \sum_{k=1}^j d_k \Delta Z_{t-k} + \eta_t \quad \dots (3)$$

$$\Delta Z_t = c_0 + \lambda Z_{t-1} + \delta t + \phi DT_t + \sum_{k=1}^j d_k \Delta Z_{t-k} + \eta_t \quad \dots (4)$$

$$\Delta Z_t = c_0 + \lambda Z_{t-1} + \delta t + \phi DT_t + \gamma DU_t + \sum_{k=1}^j d_k \Delta Z_{t-k} + \eta_t \quad \dots (5)$$

Where DT_t is the relevant trend shift variable DU_t is an indicator dummy variable for a mean shift occurring at each potential break-date (TB).

3.4.2. Novel Dynamic ARDL Simulation

ARDL, developed by Pesaran et al. (2001), other cointegration frameworks that can only estimate analyse the short- long-run correlations between variables have been widely employed in previous research. Jordan Philips (2018) recently created a novel dynamic ARDL simulation model to overcome the issues with the traditional ARDL technique. This recently developed framework can simulate, produce graphs of variable fluctuations over time evaluate interactions in the short long term. The capacity to anticipate, simulate visualize the anticipated adjustment on a dependent variable by altering one regressor ceteris paribus is a significant benefit of this approach (Khan et al., 2022). The novel dynamic ARDL Simulations are useful for testing cointegration, long short-run equilibrium relationships in both levels' differences. It is an enhanced effective time series approach for policy formulation. It examines the dynamic relationship between variables. It also provides a causal analysis. It can be used to determine if variations in investment levels are the cause or the result of political instability. It is also used for policy evaluation analysis. We can evaluate the likely effects of policy changes by simulating various policy scenarios. It can help decision-makers develop sensible policies make wise choices to encourage investment. Such scenario testing helps to educate investment strategies by illuminating the possible dangers possibilities associated with political instability. The following illustrates how the novel dynamic ARDL simulation model works, following Udeagha Ngepah (2021).

Dynamic ARDL representation of equation 1 is given blwo.

$$\begin{aligned} \Delta FDI_t = & \nu_0 + \omega_0 FDI_{(t-1)} + \gamma_1 P.Inst_{(t-1)} + \gamma_2 TO_{(t-1)} + \gamma_3 RGDP_{(t-1)} + \gamma_4 IRD_{(t-1)} \\ & + \gamma_5 INF_{(t-1)} + \phi_1 \Delta P.Inst_t + \phi_2 \Delta TO_t + \phi_3 \Delta RGDP_t + \phi_4 \Delta IRD_t + \phi_5 \Delta INF_t + \nu_{1t} \quad \dots(6) \end{aligned}$$

In the equation above, ω_0 refers to the error correction term, γ_1 through γ_6 are long-run estimations, while ϕ_1 through ϕ_6 are short-run regressors, respectively. Equation (v), which is an ARDL dynamic equation, is analogous.

$$\begin{aligned} \Delta PI_t = & \tau_0 + \pi_0 PI_{(t-1)} + \theta_1 P.Inst_{(t-1)} + \theta_2 TO_{(t-1)} + \theta_3 RGDP_{(t-1)} + \theta_4 IR_{(t-1)} + \\ & \theta_5 INF_{(t-1)} + \chi_1 \Delta P.Inst_t + \chi_2 \Delta TO_t + \chi_3 \Delta RGDP_t + \chi_4 \Delta IR_t + \chi_5 \Delta INF_t + \omega_{1t} \quad \dots(7) \end{aligned}$$

Similar to the previous equation, this one also uses the symbols π_0 to represent the error correction term, $\theta_1-\theta_6$ to designate long-run estimations, $\chi_1-\chi_6$ to denote short-run regressors.

First, the above equation is estimated by choosing the appropriate lag length after that bounds test is performed. The alternative is used to investigate if there is a long-term link, which is the null hypothesis. In this investigation, the Krippganz Schneider (2019) critical values are utilized. If the upper bound of the F statistics critical value is exceeded, the null hypothesis is rejected. Next, we move on to the estimates for the long- short-term.

4. RESULTS AND DISCUSSIONS

This section contains a discussion of the empirical findings. To check that the data are normal, we first present the descriptive analysis findings. The results of the correlation matrix are discussed to avoid multicollinearity. The stationarity of data is discussed based on the results of the Zivot rews unit root test. The impact on foreign domestic investment by political instability is discussed using dynamic ARDL findings.

4.1. Descriptive Analysis

The first important step in conducting statistical analyses is descriptive analysis. The typos outliers in the data are detected, data distribution is visualized using descriptive analysis. To conduct further statistical analysis, it is crucial to identify the descriptive analysis.

The average of foreign direct investment is 1.564365 with a standard deviation of 0.768754, the average of private investment is 10.0933 the average of political instability is 7.004167 with a standard deviation of 2.277328. 32.7926 is the average value of trade openness its standard deviation is 3.8495. The mean values of RGDP, interest rate, inflation rate is 119661.4, 8.778667, 8.3827 with standard deviations of 54169.59, 2.716096, 4.0905, respectively. Data symmetry is measured by skewness. The results of the variables' skewness (lack of symmetry) indicate that all variables are positively skewed but political instability, interest rate, trade openness are negatively skewed. For normal univariate asymmetry, its value must lie between -2 to +2 (George amp; Mallery, 2010; Trochim Donnelly, 2006). The kurtosis is used to assess if the data are flat or peaks when compared to the star's distribution. Skewness kurtoses are used collectively to check that rom variables follow a normal distribution. Jarque-Bera (Prob) also indicates that the distribution of data is normal.

Table 2. Summary Statistics

Variables	FDI	PI	P.Inst	RGDP	TO	IR	IRD	INF
Mean	1.564365	10.09333	7.004167	119661.4	32.79267	8.778667	5.87533	8.382760
Median	1.493256	9.850000	6.750000	113409.2	32.90500	8.850000	5.37500	8.360542
Std. Dev.	0.768756	1.567324	2.277828	54169.59	3.849560	2.716096	3.38175	4.090564
Skewness	0.406908	0.397193	-0.11395	0.205880	-0.261138	-0.621933	0.26239	0.637313
Kurtosis	2.393104	2.885597	2.065715	1.659730	2.202276	2.922404	2.36007	3.524945
Jarque-Bera (Prob)	0.525116	0.668590	0.561007	0.292682	0.566538	0.378793	0.65176	0.304937

Table 3. Zivot Andrews Unit Root Tests with Structural Breaks

Variables	Level			First Diff.			Decision
	Const.	Const. Trend	Break	Const.	Const. Trend	Break	
FDI	-3.68	-3.97	1998	-5.93*	-6.15*	2017	I(1)
PI	-3.79	-3.84	2007	-7.38*	-8.36*	2002	I(1)
P.Inst	-3.45	-4.41	1993	-7.59*	-8.47*	2010	I(1)
TO	-4.53	-4.62	2000	-8.65*	-8.24*	2005	I(1)
RGDP	-4.70*	-4.89*	2008	-7.83*	-7.92*	2008	I(0)
IR	-3.97	-3.99	2002	-7.53*	-8.01*	2005	I(1)
IRD	-4.49	-5.04	2008	-5.42*	-6.12*	2012	I(1)
INF	-5.30*	-5.56*	2015	-7.94*	-8.32*	2012	I(0)

Note: * shows Zivot-Andrew's test statistic at 5 % critical level.

4.2. Unit Root Test Results

We used the Zivot Andrews unit root test to examine the variables' order of integration. Table 3 shows the results of the unit root test suggests that all the variables are stationary at the first difference except RGDP inflation which are stationary at the level in the presence of a structural break.

4.3. Correlation Matrix

The linear dependence between independent variables is investigated using bivariate correlation of variables. All the variables in Table 4 have a correlation coefficient of less than 0.8. As a rule, the correlation matrix results show that our model does not have a multicollinearity issue.

Table 4. Bivariate Correlation

Variables	P.Inst	TO	RGDP	IR	INF	IRD
P.Inst	1.000000					
TO	-0.302434	1.000000				
RGDP	0.141939	-0.437575	1.000000			
IR	-0.339130	0.333140	-0.039076	1.000000		
INF	-0.269822	0.566926	-0.183325	0.646130	1.000000	
IRD	-0.259473	-0.097655	0.488822	0.719442	0.480665	1.000000

4.4. Co-integration Analysis

4.4.1. Lag Length Selection

In the first step of the DARDL, we determine the lag length for the first difference variables. Table 5 displays the findings of numerous tests conducted to determine the optimal lag. This study uses the Schwarz criterion (SC) for lag selection because SC yields the lowest value at lag one in comparison to other techniques, lag 1 is appropriate for our model.

Table 5. Lag Length Selection

Lags	Equation I			Equation II		
	AIC	SC	HQ	AIC	SC	HQ
0	-10.3491	-9.26901	-10.5829	-9.2763	-8.3629	-11.2903
1	-18.2762	-17.4821*	-19.3972*	-16.4382	-15.2681*	-16.4726*
2	-18.3581	-13.6803	-18.4716	-16.4731	-15.1742	-16.2961
3	-19.6903	-13.2491	-18.39825	-15.2869*	-14.5803	-15.3703
4	-19.0538*	-12.7206	-18.02627	15.0572	-14.8347	-15.0261

Note: The lag order chosen by the criterion is indicated by an Asterisk.

4.4.2. ARDL Bounds Testing

To determine the long-run association between variables we perform the bound test. The null hypothesis of no cointegration is contrasted with the alternative. The outcome of the cointegration test using the Kripfganz Schneider (2018) recommended surface-response regression method is shown in Table 6. The F- t-statistics exceed the upper-bound critical values at various levels of significance, which leads us to reject the null hypothesis that there is no level of association. Our empirical findings thus indicate cointegration between the variables under consideration.

Table 6. ARDL Bounds Test Analysis

Test Statistics	Value	10% critical value		5 % critical value		1 % critical value		Prob. Values	
		I(0)	I(1)	I(0)	I(1)	I(0)	I(1)	I(0)	I(1)
Equation I		I(0)	I(1)	I(0)	I(1)	I(0)	I(1)	I(0)	I(1)
F Statistics	12.6921	3.45	4.93	4.21	5.60	6.25	7.18	0.014**	0.000***
T Statistics	-5.2083	2.67	3.05	3.58	4.16	5.22	6.39	0.021**	0.000***
Equation II		I(0)	I(1)	I(0)	I(1)	I(0)	I(1)	I(0)	I(1)
F Statistics	13.8442	3.97	5.06	4.83	5.79	6.11	7.03	0.043**	0.001***
T Statistics	-7.8715	2.71	3.45	3.62	4.35	4.99	5.17	0.036**	0.000***

Note: Probability values from Kripfganz Schneider (2018). *** indicate significance at 1% however ** at 5% level.

We have also used the Maki cointegration test to evaluate the robustness. Table 7 supports the preceding surface-response regression findings. The findings of the Maki cointegration test, which take structural breaks into account, demonstrate that the variables are cointegrated.

Table 7. Maki Cointegration (With Structural Breaks)

Model	Equation I		Equation II	
	Test Stats.	Structural Break	Test Stats.	Structural Break
Level Shifts with Trend	-8.371*	1992-2003-2014	-9.428	1993-2004-2016
Regime Shifts	-13.503***	1993-2001-2011	-15.729	1994-2004-2017
Regime Shifts with Trend	-10.582***	1996-2007-2015	-14.072	1992-2005-2014

Note: 1% 10% significance levels are indicated, respectively, by *** *.

4.4.3. Outcomes of Dynamic ARDL

We conducted a bounds test to ascertain the long-term link between the variables after examining the order of integration selecting the proper lag length for each model. Long-run short-run results are acquired in the following step are shown in Table 8 below.

Table 8. Dynamic ARDL Simulations Analysis

Dependent Variable: FDI			Dependent Variable: PI		
Variable	Coefficient	t-Statistic	Variable	Coefficient	t-Statistic
P.Inst	-0.182294	-2.839251**	P.Inst	-0.376972	-3.017032***
TO	0.145297	2.523636**	TO	0.317001	2.467238**
INF	0.033672	0.550090	INF	0.026111	0.244350
RGDP	0.491185	1.894841*	RGDP	1.065791	1.733342*
IRD	0.161977	2.367108**	IR	-0.313222	-3.055608***
C	-3.549086	-1.168051	C	-6.521983	-0.925048
D(P.Inst)	0.223668	2.060243**	D(P.Inst)	0.362718	1.983762
D(INF)	-0.029079	-0.749918	D(INF)	0.124619	2.946053**
D(TO)	0.030798	0.616230	D(TO)	0.101633	2.042579**
D(RGDP)	0.082380	1.774622*	D(RGDP)	0.531845	2.719962**
D(IRD)	0.020549	1.038622	D(IR)	-0.298470	-4.643613***
ECT (-1)	-0.257734	-6.979075***	ECT (-1)	-0.532730	-7.642391***
R ²	0.797145		R ²	0.880735	
Adj. R ²	0.722410		Adj. R ²	0.817595	
Simulations	1000		Simulations	1000	
ROOT MSE	0.638		ROOT MSE	0.162	

Note: ***, **, * indicates the significance at the 1%, 5%, 10% levels of significance, respectively.

4.5. Long-run Results and Discussion

The findings show that both domestic foreign investment decreases when political instability increases. FDI inflows are discouraged by political instability because it is a long-term investment. The performance of foreign investment is negatively affected by a volatile environment change in policies; this may happen more frequently due to political instability. The countries which do not reverse their policy are more attractive to foreign investors. Previous research backs up the findings of the study. Schneider Frey (1985) proposed a politico-economic model that considers both economic political causes shows that political instability affects foreign direct investment inflows considerably. Our findings are likewise Asiedu (2006) for Africa, Akhtar (2000), Aqeel et al. (2004), Hakro Ghumro (2011), Shah et al. (2016), Yousaf

et al. (2008) Bano et al. (2019) for Pakistan, Asiedu (2002) for developing countries, Bende-Nabende (2002) for Sub Saharan Africa, Busse Hefeker (2007) for 83 developing countries, Brada et al. (2006) for Central Europe the Balkans, Madr Kouba (2015) for emerging countries, Musibah (2017) for Middle East North Africa, Nazeer Masih (2017) for Malaysia Thompson Poon (2000) for ASEAN.

As for as domestic investment is concerned firms always analyse future expectations about the capital market economy before taking investment decisions. The level of investment falls when the risk of loss of capital rise owing to political instability. Due to uncertainty, foreign domestic investors do not attract investment in an unstable country. Our findings are comparable to Anwar (2021), Bhutto et al. (2019), Ali et al. (2013) for Pakistan, Alesina Perotti (1996) for 71 countries, Baker et al. (2019) for 14 emerging nations, Busari Amaghionyeodiwe, (2007) for Nigeria, Feng (2001) for developing countries Zouhaier KEFI (2012) for Middle East North Africa.

Trade openness FDI are positively related. As the openness ratio rises, the country will attract more investors, with the assumption that the investments will be concentrated in the tradable industries. The FDI flow decreases due to the strict bureaucratic structure, which is a typical scenario of a closed trade regime. The regime with the concept of open trade attracts more firms to relocate to their countries. More foreign direct investment is made in nations with fewer export restrictions. International firms must use FDI to enter local markets when trade barriers are high, but for export-oriented firms, more openness the accessibility of less expensive local resources might attract more FDI (Jordan, 2004). Different literature findings are supported, such as Lane Melesi-Ferretti's (2001) finding that in emerging nations, FDI is influenced positively by openness. Ponce (2006) has found that trade, in other words, free trade agreements affecting openness positively contribute to FDI. Private investment is positively impacted by trade openness which is shown by the positive coefficient of trade openness. The investment production in the country can be increased by encouraging producers by simplifying the procedures of exports imports. Boachie et al. (2020) found that trade openness provides significant long- short-term advantages in the private sector. Trade openness has long been seen as a critical component in economic growth with an increase in either public or private investment. Our findings are in line with economic literature [Akhtar (2000); Aqeel et al. (2004); Asiedu (2002); Busse Hefeker (2007); Madr Kouba (2015); Thompson Poon (2000); Baker et al. (2019); Feng (2001); Alesina and Perotti (1996); Khan (2008); King Levine (1993)].

Higher real GDP attracts more foreign as well as domestic investment. An approximate indicator of a nation's economic health is its income per capita.

Investors perceive understand growth in real GDP as an indication that a country's economy is performing well. This is essential for investors because it might be viewed as a sign of these residents' purchasing power, which will drive them to favour one country over another. Previous research, such as Asiedu (2006) Schneider Frey (1985) assertion that large markets boost FDI. According to Jordaan (2004), FDI will go to larger growing economies, higher purchasing power, opportunities for businesses to earn a higher return on their investments. When real GDP increases, it attracts private investors eventually leads to large private investments, the findings are in line with (Feng, 2001), (Tun Wai Wong, 1982), (Blejer Khan, 1984).

The coefficient of interest rate differential foreign direct investment has a positive relationship. Investment shifts from low-interest rate to high-interest rate countries by the investors as it provides an incentive to foreign investors seeking higher returns, hence a high-interest rate differential can lead to increase FDI. The difference in interest rates has frequently been seen as a key factor influencing capital flows to emerging market economies. The advanced nations' loose monetary policies the quest for yield have encouraged significant capital inflows to emerging economies have been a significant push factor. Chakrabarti (2001) identified a strong connection between the interest rate differential FDI in India. According to Hannan (2017), interest rate differentials usually have a positive influence on net capital inflows. According to Mody, Taylor, Kim (2001), capital flows to the majority of emerging economies were significantly impacted by fluctuations in US interest rates. It has been discovered that normal capital flows respond to changes in the interest rate differential by Fedderke, J.W., W. Liu (2002). FDI interest rate differential was found to be positively related by Jaffri Ahmad (2010) Chakrabarti (2001). Contrary to these results Taylor Sarno (1997) found that Latin American country's interest rates are a more significant determinant of portfolio flows, in comparison to Asian countries. According to Verma Prakash (2011), the majority of FDI inflows are long-term in nature not very sensitive to interest rates.

Private investment is negatively impacted by interest rates, as indicated by the interest rate's negative coefficient. The private investment decreases due to high-interest rates which increases the capital's cost. Kennedy (2021) Green Villanueva (1991) concluded that private investment is negatively impacted by interest rates although there is very less flexibility.

4.6. Short Run Results

Foreign direct investment is the dependent variable in the first equation, the error correction term is negative (-0.2577), representing that because of a shock disequilibrium in the previous period is corrected by 25% per annum in the present period. In the short run, the FDI is positively impacted by political instability due to rent-seeking activities. In contrast to the long term, the difference in interest rates becomes negligible. The R^2 shows the explained variations by the model out of the total variations. The adjusted R^2 value of 0.722410 demonstrates that around 72 % of variations are explainable by the model after considering the degree of freedom. Private investment is the dependent variable in the second equation, the feedback coefficient is -0.53, implying that around 0.53 percent of the previous year's disequilibrium is corrected in the current year. Short-term trade openness, inflation, real GDP all are positively related to private investment, but the interest rate is inversely related. The R-square shows the explained variations by the model out of the total variations. The value of adjusted R^2 0.880735 shows that a good fit is indicated when the independent variable explains around 88 % of variations by taking care of the degree of freedom.

4.7. Diagnostic Tests

To test the reliability of the model the study employs several diagnostic tests, the results of which are displayed in Table 7. Our model may be well-fitted, given that it passed all diagnostic tests. The null hypothesis is contrasted with the alternative, which claims that serial correlation, heteroscedasticity, functional form misspecification does not exist. We are unable to disprove the null hypothesis in each case. There are no issues with serial correlation in the model. according to the Breusch Godfrey LM test. The Breusch-Pagan-Godfrey test results show that there is no heteroscedasticity. The results of the Ramsey RESET test show that the model is not incorrectly specified.

Table 7. Diagnostic Statistics

Diagnostic tests statistics	χ^2 P values equation I	χ^2 P values equation II	Results
Breusch Godfrey test	0.4150	0.6123	Serial correlation does not exist.
B-P-Godfrey test	0.3122	0.1728	No heteroscedasticity exists.
Ramsey RESET test	0.4924	0.1529	The model is specified correctly

4.8. Impulse Response Plots

The DARDL model shows predicts the subsequent value of a regressed variable in response to a regressor *ceteris paribus* using impulse response functions. In this study, we project how local foreign investments will alter in response to a 10% decline in political stability an increase in political stability. Confidence intervals of 75%, 90%, 95% are depicted by the deep blue to light blue lines, respectively, while the dots reflect the expected value. Each figure is described below.

Figure 1. The FDI Political Stability Impulse Response Plot

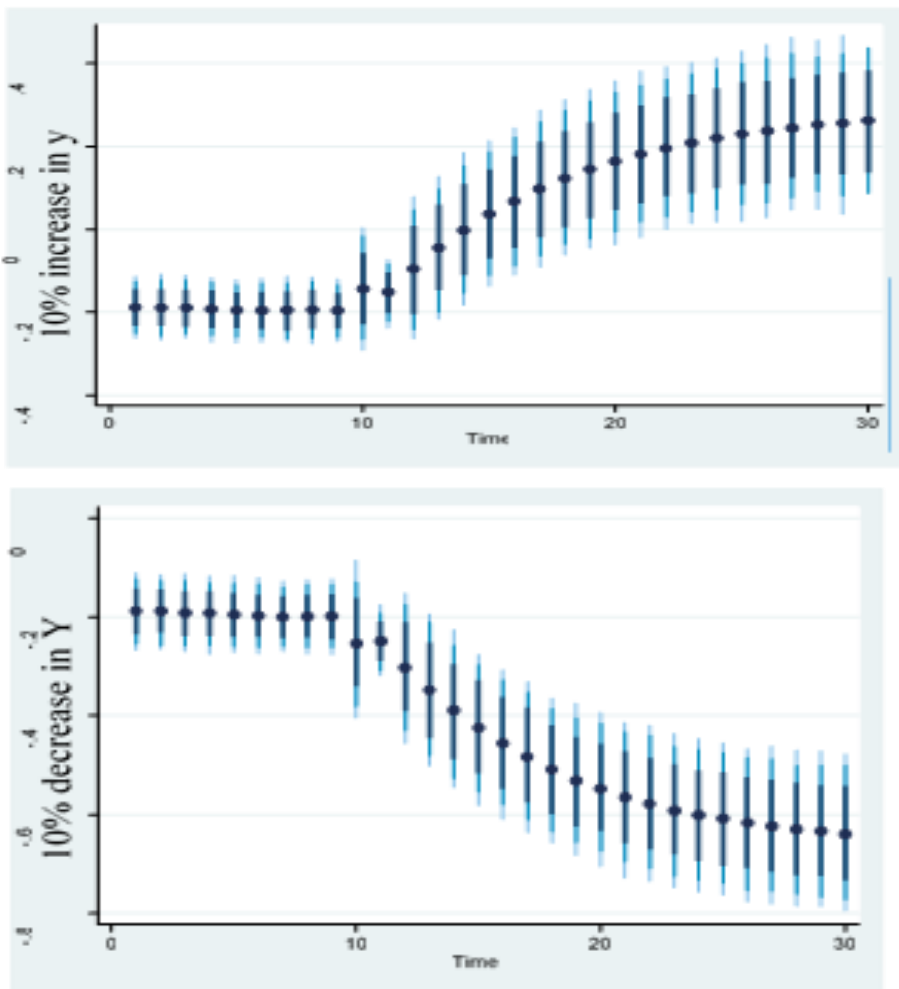
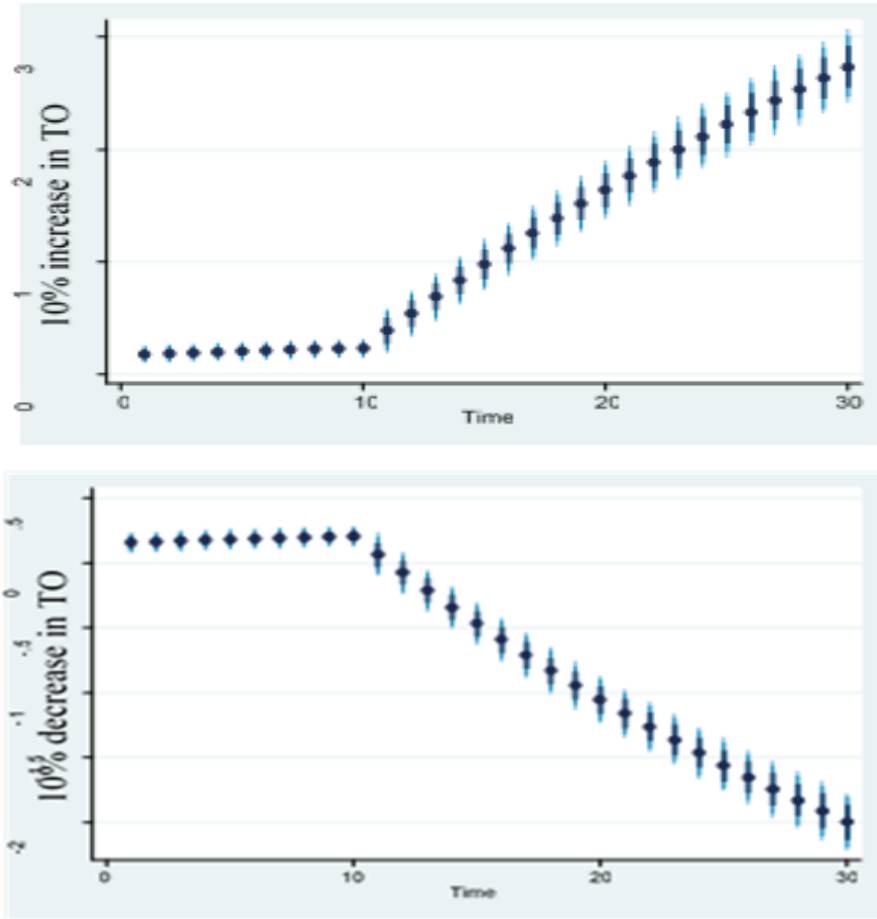


Figure 2. The Domestic Investment Stability Impulse Response Plot



The connection between FDI political stability is seen in Fig. 1. The FDI rises for every 10% improvement in political stability whereas every ten percent decline in political stability reduces the FDI. The association between political stability domestic investment is seen in Fig. 2. Impulse response plot shows that each ten-percent upsurge in political stability increases the domestic investment of the private sector whereas every ten-percent decline in political stability provides the reverse finding.

5. CONCLUSION AND POLICY RECOMMENDATIONS

A recap of the previous part is given in this section specifies the objectives of the study, data, methodology, description of the variables results, discussion. Finally, we also offer some significant policy recommendations supported by empirical research limitations future research directions.

In Pakistan, the investment climate, both foreign as well as domestic, despite tremendous resources is badly damaged because of political instability. The country's political leadership lacks competency efficiency this is manifested in bad management of the economy country political instability. The current study was carried out in Pakistan between 1990 2019. The two objectives of this study are, first to analyse how foreign direct investment is affected by political instability second to examine how political unrest affects domestic private investment. The study's key contribution is to analyse the dynamic link between political instability investment (domestic as well as foreign) in Pakistan using a novel dynamic ARDL simulation framework. FDI private investment are used as independent variables. Interest rate, interest rate differential, real GDP, trade openness, inflation is all considered control variables. Private investment is represented by the gross capital formation in the private sector FDI is represented by annual percentage inflows. We have measured political instability using ICRG political stability measure. This means that the relationships which have been found (positive) are the inverse of the relationship with which we are concerned. The share in GDP, of the combined value of exports imports, shows trade openness. The country's real GDP measures the size of its market its level of development. The weighted average price change of a basket of products services that people buy demonstrates inflation. The change in the consumer price index has been used as a measure of inflation. Interest rate is indicated by the money market rate at home as well in foreign (US).

To see that there is no normality issue exists in the data, as the first step descriptive statistics is described as part of empirical analysis. For further analysis, we assess the linear dependency between independent variables using the correlation matrix. The findings demonstrate the absence of a linear dependency. The variables integration is ascertained using the structural break unit root test. Additionally, we used a recently developed novel dynamic ARDL simulation analysis. The null hypothesis of no co-integration against the alternatives in both equations is rejected using the bound test. Later, the short long-term outcomes for both equations are shown.

Regarding our first objective first, we describe the long-run results of the dynamic ARDL model. We see the effect of political instability on FDI while income, trade openness, inflation, interest rate differential are our control variables. The findings indicate that FDI political instability are not positively related. When compared to a country with an unstable political climate, a politically stable country attracts greater investment. The case of high political instability forces multinational corporations (MNCs) to move to less risky

countries avoid FDI. Trade openness, income, the difference in interest rates among our control variables all favourably impact FDI inflows while inflation remains insignificant in attracting foreign direct investment. The economic activity level of output is positively impacted by higher openness which also creates attraction for foreign investors. A higher real GDP indicates the well-being or development level of a country ultimately encourages investors to select that nation over others. A higher interest rate differential provides higher returns to foreign investors, therefore, leading to higher FDI. Political instability boosts the FDI inflows in the short run. Interest rate differential contains its sign over the short term as well. Over the short period, many variables become insignificant. Short-run results show that the adjustment speed is around 25%, which shows that in case of shifting away from the equilibrium, every year, about 25% of FDI has adjusted as the variable advances toward re-establishing equilibrium. According to adjusted R^2 , the model explains 72% of the variations in the FDI after considering the degree of freedom, which is showing a good fit. The non-existence of first-order autocorrelation is shown by the Durbin-Watson statistic.

As for as our second objective is concerned long-run results of the dynamic ARDL demonstrate that political instability negatively affects private investment. A higher political instability lowers the level of investment undertaken because of uncertainty the risk of expropriation. Trade openness income, which serve as our control variables, show a positive association with private investment. The interest rate is inversely related to private investment. Inflation remains insignificant in affecting private investment. In larger markets, investors are encouraged to invest more through trade. A higher Real GDP attracts private investors leads to large private investments. Interest rates that discourage private investment raise the real cost of capital. Over the short-term trade openness, inflation, real GDP positively contribute to private investment. Interest rate contains its sign over the short period.

5.1. Policy Recommendations

We conclude based on our empirical findings that political instability harms foreign as well as domestic private investment. The government must create a climate that is favourable to both domestic foreign investments. Investor trust will be increased via stronger governance, higher institutional standards, especially political stability. In Pakistan, the irregularity the instability of the political system is most detrimental to economic progress. Long-term economic policies are required for increased economic growth. The government should reduce political uncertainty promote foreign as well as

domestic investment for Pakistan's economic prosperity. The government of Pakistan should apply democratic principles strengthen political institutions to promote political stability. GDP is an important predictor of FDI since growing GDP indicates greater market possibilities for offshore investors seeking higher returns. As a result, efforts should be undertaken to boost GDP growth rates to attract international investment. Finally, higher incentives should be offered to foreign investors to encourage FDI inflows into Pakistan. Furthermore, the government should assure effective service delivery greater productivity of public investment.

The present study concentrates on the time series analysis merely. For improved outcomes, in the future, we can include a panel of developing developed nations for better results a comparison between both. Moreover, we can also use some other measures of political instability used in the empirical literature.

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Fiscal Decentralization Human Development in Selected Developing Countries in Asia: Role of Institutionalization

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Abstract

The paper aims to investigate the impact of fiscal decentralization on human development moderating role of political institutions in selected Asian countries for the period 1990-2019, applying panel data Fixed Effects models. The empirical findings show that fiscal decentralization at both the provincial local level exerts positively significant effect on human development the optimal level of fiscal decentralization is computed at 1.143 and 0.229, respectively which suggests that fiscal decentralization above this level may revert the results for human development. The non-linear specification of the model also portrays a rising human development in the wake of fiscal decentralization but at decreasing rate. Moreover, the role of institutionalization is proved to be effective in the case of the countries where provincial level decentralization is controlled in the model. The results imply that lack of proper coordination resulting mismanagement, due to many tiers of governance, can subside human development. However, fiscal decentralization is identified as an essential factor for Asian countries to increase the efficiency of public sector if supported with a controlled decentralization at the sub-national level.

JEL Classification: H50, H70, O15

Keywords: Fiscal Decentralization, Human Development Index, Huntington's Approach, Industrialization, Fixed Effects Model

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1. INTRODUCTION

In developing countries, the debate around fiscal decentralization has been growing over the recent decades. Fiscal decentralization is a transfer of responsibility from central to provincial local government [Rodden (2003)

Braun and Grote (2002)]. According to Vaillancourt (1997), developing countries are adopting the decentralized governance system gradually to avoid macroeconomic instability, inadequate economic development inefficient governance. In western countries, decentralization has remained an effective instrument for the restructuring of governments. For instance, European decentralized governance directly impacts the socialist framework of the economy (Bird Wallich, 1995). Whereas, in the Asian region, this appears as a tool to settle economic inefficiencies, as pointed out by Faridi et al. (2019). While the decentralization in Latin America initiated by shifting the political force from the people (Rojas, 1999). Conversely, in the African countries, decentralization has supported as a way to national unity (World Bank, 1999). Fiscal decentralization, as one of the major branches of decentralization, defines how a country's revenues expenditures are allocated to the various levels of government. Hence, fiscal decentralization includes two interconnected concerns: first is the allocation of revenues expenditure across various levels of government, second is the discretionary powers given to the local regional governments in determining their revenues expenditures. These combined features have a significant impact on decentralization on a wider scale i.e., political administrative level.

Fiscal decentralization can be linked to human development due to its direct connection with the governance of the country which entails the provision of basic human needs. More specifically, human development pertains to expunging people's choices, healthy environment, access to quality education and decent standard of living. The process of human development involves attaining an optimum level of health which contains mental, educational, social cultural components which is translated into poverty reduction, social development economic growth. For understanding the human well-being, Amartya Sen (1999) embodied the capabilities approach that highlights the importance of ends (standard of living) over the means (income per capita). Scholars believe that fiscal decentralization in the health sector has remained beneficial as the decentralized health-care system offered at provincial government level can better adapt to the needs of residents. Moreover, a decentralized system is expected to be more effective in implementing managing both the health education programmers due to higher community participation local responsibility. According to Ahmed Lodhi, (2016), decentralization of health provision is predicted to improve efficiency by better allocation of resources to specific groups, particularly low-income groups. Hence, fiscal decentralization can improve public welfare can increase the productivity of community service delivery, allowing the poor to get access

to fundamental services such as education, health, electricity water. According to Tanzi (1996) Oates (1972), the essence of fiscal decentralization is an adequate efficient distribution utilization of resources at different levels of governments. If fiscal decentralization is properly implemented, it can lead to greater political stability, government efficiency and higher public service living standards (World Bank, 2000).

Admittedly, despite significant progress in human development, huge disparities remain, many have been denied fundamental rights such as health care education in developing countries, indicating the lack of human development. From that context, the role of institutionalization, based on Huntington's index (1965), can play pivotal role. Institutionalization is the process by which the political institutions grow in strength quality. According to Huntington (1965), level of institutionalization can be determined by the prevalence of such organization which are adaptive rather than rigid is adapted to tackle the challenges; they are autonomous rather than submissive implying that more powerful institutions would be more self-sufficient than the rest; they can be defined by the coherence rather than discord factors implying that there will be more agreement inside the organization. Particularly, the more adaptive less rigid organization is associated with the higher level of political institutions while less adaptable inflexible organization is associated with lower level of institutionalization. In general, it is a function of age environmental challenge of the particular political group. The greater its age the more problems it has faced in its surroundings, the more adaptive it is. This implies that younger organizations' political groups are more rigid than older organizations. Hence, the generational age is a second indicator of adaptation. The adaptability of an organization is still in question as long as its founding leaders are still in power, a method is still ongoing by those who carried it out. Finally, the administrative adaptability can be examined in terms of its functional capabilities. An organization that has one or more changes in its primary functions and has adapted to changes in its environment is more institutionalized than the one that has not. This is believed that political parties are essential in maintaining stability legitimacy in the political system.

With this background, this study attempts to measure the impact of fiscal decentralization on human development along with the moderating role of political institutions. According to the Asian Development Bank (2011), decentralization has caught the interest of governments in South Asia. From 1990 to 2014, approximately 46 percent of total expenditures was distributed at the subnational level in India; 3 percent in Pakistan; 6 percent in the Maldives 4 percent in Bhutan. Revenue decentralization is low in comparison to expenditure decentralization, with nearly 34 percent in India, 5.3 percent in the

Maldives, 1.1 percent in Pakistan, 1.7 percent in Bhutan. (Faridi et al. 2019). Decentralization in Asia, like most other parts of the world, is not a uniform phenomenon that offers varied effects on the respective countries.

To author's knowledge, limited studies are available that measure the linear non-linear effect of fiscal decentralization on human development for Asian developing countries. We are envisioned to study the impact of fiscal decentralization on human development by including the role of institutionalization for selective Asian developing countries for the time period 1990 to 2019. Besides, a broader index of institutionalization (based on political indicators) is used to discover its impact on human development with other stard variables including trade openness, income inequality, inflation foreign direct investment. The study also provides the non-linear association between fiscal decentralization human development provides the marginal effects of fiscal decentralization institutionalization at the country level.

The rest of the paper is organized as follows; the second section deals with the review of literature. Third section provides the methodology. The fourth section reports discuss the empirical results. The final section concludes the paper with some policy implications.

2. REVIEW OF LITERATURE

Theoretical literature on fiscal decentralization is based on the theorem of decentralization given by Oates in 1972, they explain the relationship between fiscal decentralization and human development. According to Oates (1972), preferences for public goods services are different for all districts. Fiscal decentralization promotes allocative efficiency, proficiency in the distribution of public services transparency. Likewise, Musgrave (1959) argued that fiscal decentralization improves allocative efficiency, economic proficiency, accountability and better delivery of public services. He disaggregated the function of government into three groups: resource allocation, income distribution economic stabilization. According to Musgrave (1959), the main function of government is to provide maximum social welfare through public goods allocation. Bird Wallich (1995) concentrates on the institutional factors which are important for decentralization, pointing out that most of research on decentralization assumes the presence of weak institutions in developing countries. Another important argument given by Prud'homme (1995) is that institutional design creates problems in decentralizing the system because institutions are strong in rich countries and weak in poor countries. He criticized the theories of fiscal federalism allocative efficiency.

Most of the empirical studies support the argument of fiscal decentralization having significantly positive effect on human development. For example, Lindaman Thurmaier (2002); Habibi et al. (2003) Silas (2017) finds positive relationship between fiscal decentralization human development. However, some studies reported a negative relationship between fiscal decentralization and human development like Pasichnyi (2019). Mostly, previous studies show revenues decentralization is positively related with human development, but expenditure decentralization is negatively related to human development in developing countries in some cases [Faridi et al. (2019), Udoh et al. (2015) Yusof (2018)].

Similarly, the existing literature on the impact of fiscal decentralization on political institutions provides mixed results. Enikolopov Zhuravskaya (2007), Kyriacou Sagales (2008) provided evidence for positive relationship between fiscal decentralization political institutions. According to Tranchant (2008), fiscal decentralization is more effective in developed countries because their institutions are stronger as compared to developing countries. Another study by Shelleh (2017) focused on the relationship between fiscal decentralization and political institutions in developing countries using fixed rom effect techniques for the time 1984-2012. The empirical results show that revenue decentralization reduces institutional quality, but expenditure decentralization tends to increase it.

By large, studies do not differentiate between provincial local expenditure revenues that could yield variation in results. The impact of fiscal decentralization on human development following Huntington's approach for measuring political institutions is uncommon in research. This study bridges the gaps in literature in many ways. Firstly, this study differentiates provincial local expenditure revenues. Secondly, the impact of political institutions on human development is measured by the index of institutionalization. Thirdly, this study investigates whether there exists a non-linear relationship between fiscal decentralization and human development.

3. METHODOLOGY DATA DESCRIPTION

3.1. Theoretical Framework

Oates's (1972) theorem of decentralization is important in explaining the relationship between fiscal decentralization and human development. According to Oates (1972), fiscal decentralization is directly linked with human development because the main objective of fiscal decentralization is to increase the quality quantity of public human welfare. For understanding human well-

being, Amartya Sen embodied the capabilities approach that emphasizes on the importance of ends (standard of living) over the means (income per capita). Secondly, Huntington's (1968) institution-building approach to political development is used to explain the role of institutionalization in human development. This approach also describes political stability as political development while political instability as political decay. Therefore, political development stability can be directly linked, this link is connected with social welfare human development. As supported by Khan et al. (2019) development can be accomplished through strong institutions.

The Median Voter Theory of Democracy proposed by Olson explains the indirect link between fiscal decentralization and human development by incorporating the role of political institutions. According to theory, the democratic system provides a higher level of redistribution. Amartya Sen (1997) identified the quantitative dimension of redistribution allows for the extension of median voter theory by explaining the essential requirements of democratic institutions because democratic institutions make better redistribution are responsive to the needs of the society. In short, the institutional background is expected to decide the design of inter-governmental fiscal system eventually affect the results of fiscal decentralization reform process.

3.2. Empirical Model Data Description

The empirical models to estimate the influence of fiscal decentralization on human development with the role of institutionalization in selected Asian developing countries for the time 1990 to 2019 is given as below:¹²

Base Model.

$$HD_{it} = \alpha_0 + \alpha_1 FD_{it} + \alpha_2 PI_{it} + \alpha_3 \ln FDI_{it} + \alpha_4 \ln Q_{it} + \alpha_5 \ln F_{it} + \alpha_6 \ln TO_{it} + \mu_{it} \quad \dots (1)$$

Interaction of Fiscal decentralization with Institutionalization.

¹ The sample selection is subject to the availability of data for fiscal decentralization. The sample is comprised of the following panels: Panel 1 (for the model using provincial decentralization) consists of Armenia, Azerbaijan, Iran, Mongolia, India, Malaysia, Maldives, Pakistan Uzbekistan. While, Panel 2, for the model using local decentralization, contains Armenia, Azerbaijan, Iran, Mongolia, Indonesia, Kyrgyzstan, Thailand, Turkey, Tajikistan.

² Due to missing observations, panel is unbalanced.

$$HD_{it} = \beta_0 + \beta_1 FD_{it} + \beta_2 PI_{it} + \beta_3 FD_{it} * PI_{it} + \beta_4 \ln FDI_{it} + \beta_5 INQ_{it} + \beta_6 INF_{it} + \beta_7 \ln TO_{it} + \mu_{it} \dots (2)$$

Measuring the non-linearity;

$$HD_{it} = \gamma_0 + \gamma_1 FD_{it} + \gamma_2 FD_{it}^2 + \gamma_3 PI_{it} + \gamma_4 \ln FDI_{it} + \gamma_5 INQ_{it} + \gamma_6 INF_{it} + \gamma_7 \ln TO_{it} + \mu_{it} \dots (3)$$

The dependent variable of study is Human Development (*HD*) which is measured by Human Development Index (HDI) developed by UNDP. It measures three fundamental areas of human development: healthy life; evaluated by life expectancy at birth, Education; assessed by expected mean years of schooling, the start of living; determined by Gross National Income (GNI). *FD* represents fiscal decentralization which is determined by the index of composite decentralization calculated by both expenditure revenues following Martinez Vazquez (2011) Iqbal et al. (2012). *PI* shows political institutionalization index which is computed by Huntington approach for political institutions based on three indices namely adaptability, legitimacy, coherence. *FD*PI* indicates the interaction between fiscal decentralization political institutions, to measure the political institutions-led impact of fiscal decentralization on human development. Other control variables are foreign direct investment (*FDI*), income inequality (*INQ*), inflation (*INF*) trade openness (*TO*).

3.2.1 Measuring the Fiscal Decentralization

The existing literature provides two ways, revenue decentralization expenditure decentralization, to evaluate the impact of fiscal decentralization. To avoid double counting, Woller Philips (1998) adjusted the calculations of expenditures decentralization by subtracting the expenses for defense debt interest payments from total government expenditures. On the other h, Martinez-Vazquez, McNab Timofeev (2003, 2010) developed a more comprehensive measure that considers the multifaceted aspect of decentralization. By integrating expenditure revenue decentralization, they established composite decentralization index, this study uses their formula, given as below:

$$FD = \frac{RD}{1-ED} \dots (4)$$

Where, *RD* refers to Revenue decentralization which measures the proportion of general government revenue that comes from the two levels of government

(provincial local, respectively).³ Revenues obtained from other levels of governments, non-resident governments, foreign organizations are not included in own revenues. The following formula is used to calculate revenues decentralization:

$$\text{Revenues decentralization} = \frac{XG \text{ own revenues}}{GG \text{ revenue}} \quad \dots (5)$$

$XG=$ indicates the revenues at the given (X) level of government (provincial local, respectively), while $GG=$ indicates revenues of the general government. The portion of revenue received as transfers from other government units, foreign governments and international organizations is not included in our own revenue.

ED stands for Expenditure decentralization which captures the proportion of general government spending that is invested in expenditures at various levels of government (provincial local, respectively). The portion of spending that is transferred to other levels of government, foreign governments international organizations is not included in the calculation. The following formula is used to calculate expenditures decentralization:

$$\text{Expenditure decentralization} = \frac{XG \text{ own spending}}{GG \text{ spending}} \quad \dots (6)$$

$XG=$ indicates a given level of government (provincial local, respectively), $GG=$ indicates a general government's spending. The portion of expenditure received as transfers from other government units, foreign governments and international organizations is not included in our own revenue.

3.2.2 Measuring the Institutionalization

Huntington's (1965, 1968) influential work on political development political decay introduced the term political institutionalization. According to Huntington (1965), institutionalization is one of the most important aspects of political development. In this study the institutionalization index is measured by employing Huntington's approach of institutions. The measure is characterized by various dimensions including adaptability, which is measured by party age, legitimacy measured by total fractionalization, opposition fractionalization, number of opposition seats, figures of government seats. Similarly, another dimension is coherence which is measured by the number of other opposition parties, number of other opposition party seats, opposition party having the majority in the house senate legislative index of political

³ We have computed two indexes: provincial level local level.

competitiveness, executives index of political competitiveness, elected municipal executives, elected state executives, parliamentary system, proportional electoral rule [Schneider (1971); Enikolopov Zhuravskaya, (2007)]. These indices are captured concisely under one measure of institutionalization by applying Principal Component Analysis method.

The data is collected over the time from 1990 to 2019 the information regarding the variables their data sources is given in Table 1.

Table 1. Variables Description Data Source

Variabl	Description	Data Source	Mean (S.D) (Panel 1)	Mean (S.D) (Panel 2)
HD	Human development index measured by life expectancy at birth, expected mean years of schooling, GNI	Human Development Report (UNDP, 2019)	0.63 (0.09)	0.66 (0.06)
FD	Fiscal decentralization is measured by using composite index on revenues expenditures decentralization.	Government Finance Statistics (GFS) IMF Data (2021) Economics Surveys of Pakistan (various issues) (2020)	0.20 (0.23)	0.09 (0.07)
PI	Three indicators of institutionalization were computed by Huntington approach. i) adaptability ii) legitimacy iii) Coherence	Author's own calculation from database of political institutions-(DPI) (2017,2020)	-0.103 (0.96)	0.12 (1.03)
FDI	Foreign direct investment is measure by net inflows (BOP, current US\$)	World Bank Indicator (WDI)	20.16 (2.33)	20.1 (2.37)
INQ	Income inequality is measure by Gini coefficient.	World Bank Indicator (WDI)	36.50 (5.55)	35.2 (5.26)
INF	GDP deflator (annual %)	World Bank Indicator (WDI)	63.85 (308.2)	63.53 (34.5)
TO	Trade (% of GDP)	World Bank Indicator (WDI)	4.21 (0.62)	4.34 (0.41)

3.3. Estimation Technique

The panel data model has the advantage of incorporating both cross-sectional time-specific effects, as well as providing larger sample benefits. Depending on the relationship between the error term and the explanatory variables, the model specified as equation 1-3 can be estimated using Fixed Effects Model Rom Effects Model. The fixed effect model differs from the common effect, but still uses the ordinary least square principle. The fixed effect assumes that differences between cross sections can be accommodated from different intercepts. In order to estimate the fixed effects model with

different intercept between individuals, the least square dummy variable technique is used. In principle, the rom effect model is different from the fixed effects model in the sense that it uses the principle of maximum likelihood or general least square.

3.3.1. Fixed Effects Model (FEM)

The fixed effect model allows interception to vary across all cross-sectional units, but the slope coefficient is assumed to remain the same assumes the movement across the cross-sectional units as deterministic. The base model can be re-specified as under:

$$HD_{it} = \alpha_0 + \alpha_i + \alpha_1 FD_{it} + \alpha_2 PI_{it} + \alpha_3 \ln FDI_{it} + \alpha_4 \ln Q_{it} + \alpha_5 \ln F_{it} + \alpha_6 \ln TO_{it} + \mu_{it} \dots (7)$$

Where α_i determines the country specific terms varies from one cross-sectional unit to another. The effects of time can also be combined into the equation (8) by addition time dummies which varies across time. The model can be re-written as:

$$HD_{it} = \alpha_0 + \alpha_i + \alpha_t + \alpha_1 FD_{it} + \alpha_2 PI_{it} + \alpha_3 \ln FDI_{it} + \alpha_4 \ln Q_{it} + \alpha_5 \ln F_{it} + \alpha_6 \ln TO_{it} + \mu_{it} \dots (8)$$

Where, α_t defines the time effects. The time dummies are more appropriate to discuss the influence of various policy interventions and new technology adopted by the government over a period.

3.3.2. Rom Effects Model (REM)

Rom effects models are statistical models in which some of the parameters that determine the model's systematic components change romly. Variation in observed variables is always described in terms of systematic unsystematic components in statistical model. The model is also known as Variance Component Model.

Rom effect model can be written as:

$$HD_{it} = \alpha_0 + \alpha_1 FD_{it} + \alpha_2 PI_{it} + \alpha_3 \ln FDI_{it} + \alpha_4 \ln Q_{it} + \alpha_5 \ln F_{it} + \alpha_6 \ln TO_{it} + \mu_{it} + W_i \dots (9)$$

Country specific effects are treated as rom in the given equation. Equation (10) provides the modified model to adjust for time specific effects, given below:

$$HD_{it} = \alpha_0 + \alpha_1 FD_{it} + \alpha_2 PI_{it} + \alpha_3 \ln FDI_{it} + \alpha_4 INQ_{it} + \alpha_5 INF_{it} + \alpha_6 \ln TO_{it} + v_{it} \quad \dots (10)$$

where, $v = \mu_{it} + w_i$ all the components of disturbance term in the provided model are expected to be rom.

3.3.3. Hausman Specification Test

The Hausman specification test developed in 1978 is used to select between fixed rom effect models. The Hausman test associates the fixed effect rom effect by testing the null hypothesis suggests that if p-value of the test is >0.05 , the null hypothesis is not rejected favors the rom effect estimates. While, if p-value of the test is <0.05 , the null hypothesis is rejected which implies fixed effect model is consistent. In our empirical results the p-value is <0.05 so, we rejected the null hypothesis which means the fixed effect model is consistent is reported interpreted in the result section.

4. RESULTS DISCUSSION

This section provides the empirical findings discussion. The first section provides the results of fiscal decentralization human development with the role of political institutions for panel 1 while the second section provides the same for panel 2.

4.1. Estimation Results (Panel 1)

The empirical findings of Fixed Effects Model (FEM), applied on the panel of countries where fiscal decentralization was measured at the provincial level, are presented in Table 2. The Hausman specification test exhibits the fixed effects result as valid. The results are reported for all specifications of model; linear non-linear.

Table 2. Fixed Effects Estimates for HDI

Panel A: Fixed Effect Estimates			
Dependent Variable: Human Development Index			
Variables	(1)	(2)	(3)
FD	0.026** (0.014)	0.073* (0.018)	0.311* (0.069)
PI	0.021* (0.004)	0.064* (0.012)	0.018* (0.018)
LnFDI	0.020* (0.002)	0.017* (0.002)	0.016* (0.002)
INQ	-0.0002 (0.0009)	-0.0009 (0.0009)	-0.0007 (0.0009)
INF	-0.0003 (0.0002)	-0.000 (0.0002)	-0.000 (0.0002)
LnTO	-0.032** (0.013)	-0.025** (0.013)	-0.306** (0.012)
FD*PI	-	-0.827* (0.021)	-
FD ²	-	-	-0.136* (0.032)
Panel B: Diagnostic Test			
F-Test for Fixed Effects (p-value)	25.14 (0.000)	25.85 (0.000)	26.92 (0.000)
χ^2 Hausman Specification test (p-value)	(0.000)	(0.000)	(0.000)
B-P test for Heteroscedasticity	0.05 (0.815)	0.64 (0.422)	0.30 (0.586)
Mean VIF	1.24	2.57	2.84
N	143	143	143

Note: (1) values in parenthesis of coefficients indicate start error. (2) *, **, *** indicate significance at 1%, 5% and 10% respectively.

The estimation results reported in Table 2 show that fiscal decentralization, institutionalization, and foreign direct investment has statistically significantly positive impact on human development. Fiscal decentralization promotes human development better institutionalization plays a significant role in improving respective countries' HDI. On the other h, trade openness has significantly negative effects on human development. However, income inequality inflation appeared insignificant. Overall, the results are consistent across the equations yield similar signs for corresponding coefficients are as per expectations.

The interactive role of political institutions with decentralization is reported in equation (2) which appears with statistically significantly negative sign. As the interactive variable is not directly observable, we have delineated its role by computing its marginal effect at the mean value at the 10th, 25th, 50th, 75th 90th percentile of institutionalization, presented in figure 4.1.

Figure 1. Marginal effect of Fiscal decentralization on Human development at various Percentiles

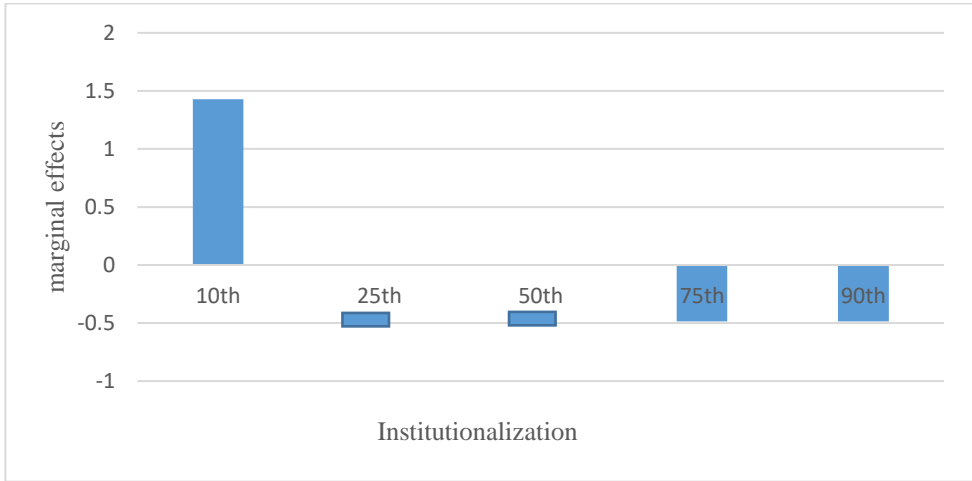
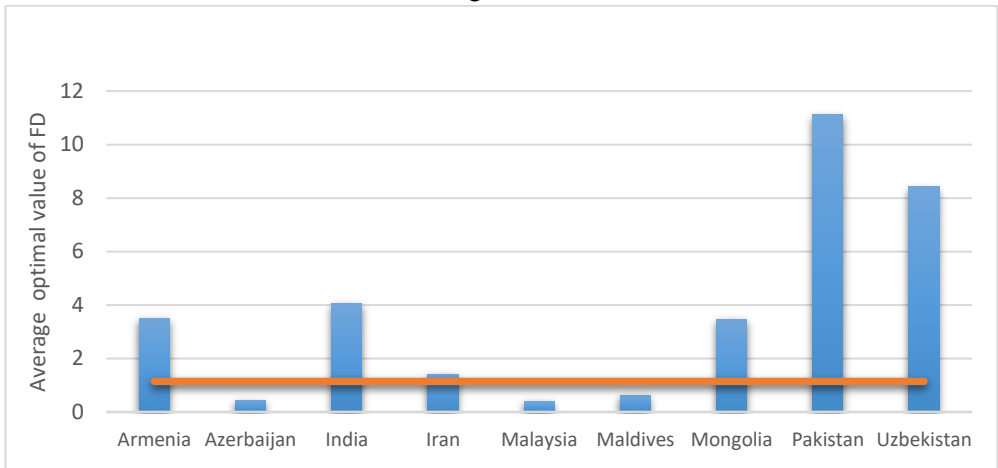


Figure 1 shows, as we move on to higher percentiles of political institutions, which refers to higher institutionalization, the effect of fiscal decentralization on human development tends to decline, might be due to extreme autonomy as the measurement of institutionalization depicts. This might also be due to the fact that fiscal decentralization at provincial level with lower managerial capacity lack of coordination between provincial central government hinders the potential impact of decentralization on human development.

Besides, foreign direct investment has a positive influence on human development because a country with higher foreign direct investment leads to higher gross domestic product is able to provide better facilities of goods services to its citizens, which will increase their standard of living. The findings are consistent with Gökmenoğlu et al. (2018). Conversely, trade openness has significantly negative effect on HDI of selected panel. The findings are not novel as the higher trade openness make competition for local producers stiffer, on the one hand leads to excessive imports on the other which imbalances the trade balance eventually discourages human development from the channel of economic growth that is also supported by previous studies by Faridi et al. (2019).

Coming to the non-linear association between fiscal decentralization human development with the role of institutionalization at the provincial level, is provided in equation 3 of Table 2. The fiscal decentralization has positive while its square term has negatively significant effect on HDI which shows the effect of decentralization measured at provincial level tends to increase but at decreasing rate. The optimal level computed from equation 3 yields the value 1.143.⁴ The findings are further elucidated by the Figure 3 which provides the comparison of optimal value level of fiscal decentralization with the average value at country level.

Figure 2. Comparison of Optimal level of Fiscal decentralization (FD) with Average Value



Source: Author's own calculation from Government Finance Statistics (GFS) IMF Data Economic Survey of Pakistan (2021).

Figure 4.2 shows Armenia, India, Iran, Mongolia, Pakistan Uzbekistan are above the optimal level, may be due to resources misutilization mismanagement at provincial level.

4.2. Estimation Results (Panel 2)

The empirical results of Fixed Effect Model (FEM) for the sample of countries from Panel 2 are presented in Table 4.2 where again Hausman Specification test exhibits the fixed effects result as valid. Overall estimation results reported in Table 4.2 exhibit that fiscal decentralization, foreign direct

⁴ $HD_{it} = \gamma_1 FD_{it} + \gamma_2 FD_{it}^2$
 $\frac{\partial HD_{it}}{\partial FD_{it}} = 0.311 - 2 * (0.136)FD_{it} = 0$
 $FD = 1.143$

investment, income inequality, inflation trade openness has statistically significant impact on human development. Fiscal decentralization tends to promote human development. The institutionalization index plays a key role in improving HDI in selected sample. Foreign direct investment is also a significant determinant of human development. Unlike results for Panel 1, institutionalization has not promising role in determining human development, neither in isolation nor as an interaction with fiscal decentralization.

Table 3. Fixed Effects Estimates for HDI

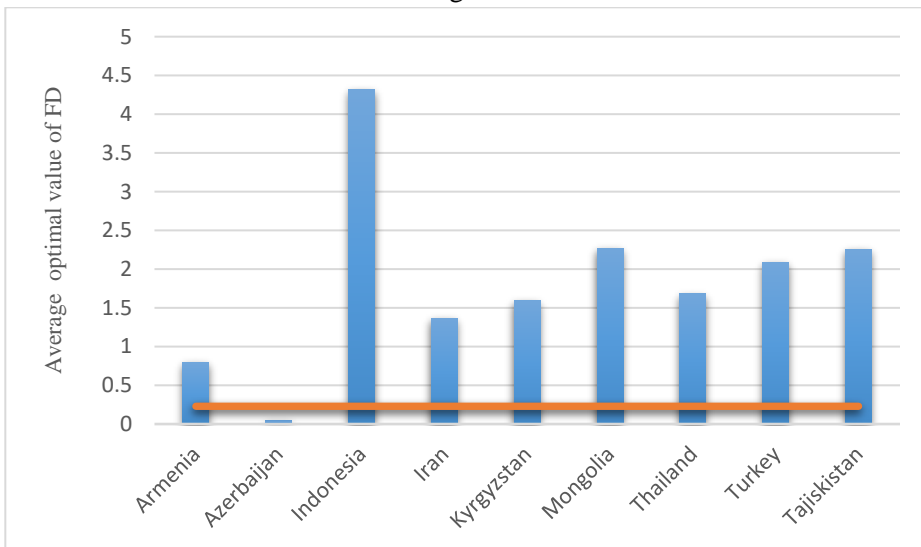
Panel A: Fixed Effect Estimates			
Dependent Variable: Human Development Index			
Variables	(1)	(2)	(3)
FD	0.121** (0.065)	0.121** (0.065)	0.773* (0.196)
PI	0.002 (0.003)	0.001 (0.006)	0.004 (0.003)
LnFDI	0.021* (0.002)	0.021* (0.002)	0.016* (0.002)
INQ	-0.002** (0.001)	-0.002** (0.001)	-0.002* (0.001)
INF	-0.0005** (0.0003)	-0.0005** (0.0003)	-0.0005** (0.0003)
LnTO	-0.056* (0.017)	-0.056* (0.017)	-0.061* (0.017)
FD*PI		0.015 (0.062)	
FD ²			-1.687* (0.481)
Panel B: Diagnostic Test			
F-Test for Fixed Effects (p-value)	17.59 (0.000)	14.9 (0.000)	18.03 (0.000)
χ^2 Hausman Specification test (p-value)	(0.000)	(0.000)	(0.000)
B-P test for Heteroscedasticity	1.49 (0.222)	1.49 (0.222)	3.48 (0.062)
Mean VIF	1.27	2.26	3.13
Observations	157	157	157

Note: (1) values in parenthesis of coefficients indicate standard error. (2) *, **, *** indicate significance at 1%, 5% and 10% respectively.

The non-linear relationship between fiscal decentralization human development with the interactive role of institutionalization is reported in equation (3) of Table 3 where fiscal decentralization appears positively significant while negative for its square term. This indicates a rising HDI with

decentralization but at a decreasing rate, as was the case in Panel 1. Our results are relatable with Soe et al. (2015) who concluded that fiscal decentralization above a particular level might discourage human development. Generally fiscal decentralization allows local governments to utilize their resources fully to improve efficiency, however this can put pressure on public spending can increase predatory intergovernmental competitiveness resulting in lower performance on HDI front. An adequate institutional political environment is required to pursue the goals of high human development with respect to decentralization effectively. The conclusion is supported by the computed threshold i. e., 0.229 its comparison with country's average further elucidates the result, presented in Figure 3.⁵

Figure 3. Comparison of Optimal level of Fiscal decentralization (FD) with Average Value



Source: Author's own calculation from Government Finance Statistics (GFS) IMF Data.

Comparing the optimal value of fiscal decentralization in developing Asian countries Figure 3 shows Armenia, Indonesia, Iran, Kyrgyzstan, Mongolia, Thail, Turkey, Tajikistan is above the optimal value.

Coming to other results, FDI is also a major determinant of human development in Panel 2 while trade openness is bearing a negative effect on HDI like Panel 1, for the same justification. Inflation and income inequality

⁵ The same formula is applied to compute optimal level as is mentioned for the results for Panel 1, reported in footnote 4.

have negative effects on human development, as both are the reflection of poor economic stings of the country which ultimately leads to lower level of social welfare. Leal (2021) reported similar findings for income inequality.

The findings from two panels of countries conclude that fiscal decentralization at provincial local level has favorable impact on human development, with the optimal value of 1.143 0.229, respectively. However, institutionalization for the first panel has significant while remains insignificant for the second panel for which fiscal decentralization at local level was controlled. Now, we turn to the overall conclusion policy suggestions.

In principle, political institutions can improve human development by allowing independence of information political privileges that can further enhance the public welfare, however its role is not well established for both datasets in our case.

5. CONCLUSION AND POLICY IMPLICATIONS

This study attempts to measure the impact of fiscal decentralization on human development with the role of political institutions in selected Asian developing countries for the period 1990 to 2019, employing the Fixed Effects Model. The empirical findings depict that fiscal decentralization at both levels i.e., provincial locals, are positively significant in developing countries, demonstrating a rise in human development in the wake of fiscal decentralization. Subnational governments are expected to function efficiently because of their close connection to the individuals' communities and have access to additional information which enables them to respond accordingly. As suggested by Akpan (2011), fiscal decentralization is associated with a lower level of mortality rate and a higher level of literacy rate. Additionally, according to Faridi et al. (2020), each provincial government usually spends revenues according to sub-national level requirements priorities which can raise the proficiency of health education sector. Hence, in developing countries fiscal decentralization can be effectively used as an effective tool for efficient provision of public service delivery. Depending on the strengths of national party system whether local provincial executives are appointed or elected, fiscal decentralization affects social economic development, public goods provision government quality in different ways (Enikolopor Zhuravskaya, 2007). Furthermore, the findings from the study suggest a non-linear relationship between fiscal decentralization and human development. The results show a rising HDI but at a decreasing rate as a result of increase in fiscal decentralization at both the provincial local level. Similarly, the interaction term of political institutions decentralization posits favorable impact at a

moderate level of institutionalization. The reason behind might be the exploitation misuse of authority excessive power on the available resources, which exerts negative effect on human development, as provided by Pose Ezcurra (2010).

Moreover, based on empirical findings the study suggests that proper implementation of fiscal decentralization is essential for Asian countries because it can increase the efficiency of the public sector resulting in boost in human development it is essential for governments to strengthen their institutions through appropriate policy measures to make the process of institutionalization impactful.

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Sustainable Leadership Environment: An Empirical Study in Organizational Context

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Abstract

Over the last three decades, the environment has become a hotly discussed topic all over the world. The United Nations has set up seventeen Sustainable Development Goals (SDGs) to achieve a standard of sustainable practices in the world including both developed developing countries. Among these goals, the environment is regarded as a primary concern for all countries. The purpose of this research is to identify potential environmental indicators challenges in organizational settings. This paper specifically investigates the impact of sustainable leadership on the environment, both directly and indirectly, through environmental practices sustainable culture. Using a sample of 306 organizational personnel Partial Least Square (PLS) Structural Equation Model (SEM), the results reveal that Sustainable Leadership (SL) has a significant impact on environmental sustainability. The results also indicate that Environmental Practices (EP) Sustainable Culture (SC) influence Green Performance (GP). Findings of this study reinforce the organization's concern for environmental sustainability and suggest how organizations institutions can improve the environment through sustainable leadership. This is the first research to not only empirically study the interaction of SL GP, but also to throw light on the existing literature by investigating the mediating function of environmental practices sustainable culture the underlying relationship.

Keywords: Sustainable Development Goals (SDGs), Environment, Sustainability, Leadership, Green Practices

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1. INTRODUCTION

Human life has never experienced a cooler-than-average month in their entire life after February 1985 (NOAA, 2014). According to the Global Climate Report (2017), the temperature of the globe is increasing eventually. The temperature has a striking impact on public health, sustainability of life wellbeing of people positively or negatively depending on its intensity (Paraskevis et. al., 2021 and Rocklöv, 2008). As the temperature became a

global concern, environmentalists suggest a number of ways to protect it, for instance, leadership that is focused on sustainability (Al-zawahreh, 2018; Iqbal, 2021), the culture that develops sustainable environment (Rosen, 2013; Zheng, 2021), conservational and environmental practices (Hayes, 2019). Since industrial development is closely linked to the environment, many organizations contribute to environmental degradation, including non-industrial entities that use excessive paper, generate waste, and consume high amounts of electricity.

Institutions and organizations play crucial roles in countries by offering products, services, education, and conducting research for global development. For instance, Higher Education Institutions (HEIs) have a primary responsibility in addressing global environmental challenges in a comprehensive practical manner. For educating future leaders in society also to investigate possible solutions for global environmental and climate change (Mukhuty, 2022) sustainability challenges (Study, 2015). According to Bothun (2016), higher education has a significant positive role in the sustainable development of a country.

Most of the institutions are engaged in integrating institutionalizing sustainability into their products, services, assessment, operations, research, curricula, outreach, evaluation, reporting (Calder Clugston, 2003; Cortese, 2003; Lozano-Ros, 2003). According to Saeed (2019), environmental awareness environmental practices have been increased in the current era to keep environmental sustainability. Multiple stakeholders demanded the higher education institutions lead in a green sustainable environment. (Al-Zawahreh, 2019). Therefore, sustainable leadership has significant importance in organizational context, it can increase profitability by increasing green practices, for instance, benefits that are mainly centered on preserving the natural resources its efficient consumption (Peng Lin, 2008). Moreover, organizations are the only places where sustainable leaders can take initiatives for protecting the environment (Scott, 2012; McIntosh, 2008; Brown, 2010).

As awareness increased about the environment in the current decade, research scholars focused on the sustainable environment are trying to find the mechanism through which organizations can protect the environment. In Pakistan, recently a project has been launched by the Prime Minister named Billion Tree Tsunami in which many of the national organizations have participated voluntarily, the project aimed to plant trees by the help of volunteers called Tiger Force. Al-zawahreh (2019) Freire (2022) highlighted green management practices the effect of sustainable leadership on green management practices. Chang (2019) studied the green identity of an

organization, its shared vision impact on organizational development. Luu (2019) has studied focused on human resource practices that involve environmental practices in an organization and their impact on the organizational behavior citizenship of employees. Demirel (2019) has studied the relationship between eco-innovation capabilities oriented on sustainability. Wang (2019) Abbas (2023) explored the green culture its benefits to the organization its impact on the growth, performance, sustainability. Kim (2018) Go (2023) explored the relationship between sustainable learning and sustainable tourism. Di Fabio (2018) explored the relationship between human capital sustainability and sustainable development.

Research on adopting green practices to improve operations with a focus on environment is limited (Lai, 2011). There is scant knowledge in the field of sustainability, with little empirical research to date (Suparak, 2016) in the developing world. The literature presents a scanty report on the impact of leadership firm sustainable performance (Boadu, 2018). In the literature of green employee behavior at the workplace, inadequate attention has been paid to the leader's support the mechanisms through which it affects employees' behavior concerning environment (Priyankara, 2018) Furthermore, it is demanded that the organizational leadership should incorporate the initiatives of green policies environmental sustainability into its strategic planning (Al-Zawahreh, 2019). Sang (2018) suggested the impact of leader knowledge on green performance projects in future. According to Zhou (2018), organizational culture can not only influence the awareness of leader's employees but may also affect the generating ideas, leadership, employee green values.

There are several gaps in the earlier research studies related to sustainable leadership coupled with impact on the environment green performance. Most of the scholars seem to be focused on human resource practices, employees' behavior awareness of sustainability. Furthermore, by using the Web of Science, no study has been found which explored the empirical relationship between sustainable leadership green performance in the organizational context. In addition, no study has found exploring the mediating relationship of sustainable culture environmental practices between sustainable leadership and green performance. However, there are few studies available on green management practices in institutions; for instance, Al-zawahreh (2019) is focused on human resource green practices. This study aims to validate the association between sustainable leadership and green performance which has not been studied before. Secondly, this study included the mediation of sustainable culture, as Zhou (2018) recommended to include in future studies. Thirdly, this study comprises the mediation of environmental practices, which has not studied before in the context of organizational settings has increased

significantly (Dessart, 2019) either in developed countries or in developing countries in the era of industrial revolution.

This research aims to examine the impact of sustainable leadership, conservational practices, and green culture on green performance. That will ultimately increase the organizational responsibility autonomous motivation for the environment in an integrated model by drawing upon social exchange theory, self-determination theory of normative conduct (Priyankara, 2018). These theories collectively offer a nuanced lens through which to examine the intricate relationships between sustainable leadership, organizational culture, environmental practices, and green performance. Social exchange theory elucidates how the interactions between leader's employees establish a reciprocal environment, contributing to the cultivation of sustainable practices within organizations. Self-determination theory sheds light on the intrinsic motivations that drive individuals to engage in environmentally responsible behavior, while theory of normative conduct examines the role of social norms expectations in influencing such behaviors. By integrating these theories, I construct a comprehensive understanding of how sustainable leadership manifests in the context of organizational culture practices, ultimately impacting green performance. Lastly, the study has significant importance in the promotion of sustainable environment countrywide worldwide through organizational context because, the employees always learn from their institutes either academic or professional (Downes, 2012) use their learning in protecting environment (Cherwitz, 2002) worldwide. The specific objectives are as given below.

- How does sustainable leadership impact green performance within organizational settings?
- To what extent do conservation practices at the organizational level contribute to overall sustainability in the context of modern environmental challenges?
- What are the key drivers that underpin the association between sustainable leadership and green performance, how does this linkage contribute to enhanced environmental sustainability?

The ultimate objective of this study is to contribute to a sustainable environment. The effort of author has been made to explore the knowledge on the mechanism of how institutes organizations can invest their effort to develop a green environment. After reviewing extensive current literature, sustainable leadership has been chosen for impactful contributions to the organizations' green performance, which ultimately increases environmental sustainability in the country. Furthermore, this study includes two mediating mechanisms,

firstly, sustainable culture to check explore the impact of culture on green performance secondly, environmental practices for exploring the impact of practical initiatives or activities on green performance.

Recent studies show that there is minimal knowledge that has developed in the literature on the green outlook of sustainable leadership. Therefore, this study contributes to inimitable discussion in the existing literature. Most significantly, this paper explores the causal impact of sustainable leadership on green performance, it will enhance the literature on both concepts, i.e., sustainable leadership green performance; further, it is the first study that investigates the relationship puts significant knowledge in the relevant literature. Moreover, this paper shows the sights of two robust mechanisms through which sustainable leadership impacts green performance, i.e., sustainable culture environmental practices. Similarly, this study explores contributes to the literature on the association of sustainable leadership with sustainable culture environmental practices. Likewise, this paper answers the question of how environmental practices sustainable culture enhance the green performance followed by sustainable leadership.

The rest of the study includes a literature review on studied variables, shreds of evidence from the literature on the relationship of variables and a brief report on methods including details of scales, tests, and results of the study. Further, it includes a discussion on the study concluding with conclusive paragraph, limitations, future research directions.

2. REVIEW OF LITERATURE

Sustainable leadership has emerged as a vital cornerstone in contemporary organizational contexts, embodying a holistic responsibility encompassing profit generation, environmental stewardship, societal well-being (Kalkavan, 2015; Fernes, 2022). Sustainable leader in this research referred as organization's leader with the responsibility of profit, environment society which include the formulation, implementation, performance of conservational environmental practices on a continuous basis (Liao, 2022). Institutions organizations use consume a lot of paper, electricity water. The unchecked dem for paper amplifies production, adversely impacting tree populations on the environment due to intensified market demands. Non-renewable energy sources, barring solar energy, exact ecological tolls. Solar energy adoption promises dual benefits of cost-efficiency environmental preservation. The protection stability of the environment is one of the most crucial goals from the 17 Sustainable Development Goals given by the United Nations. In Pakistan, there is no waste management system launched by any

organization, even for their own waste. Pakistan's landscape underscores an absence of waste management systems within organizations, fostering a limited environmental focus a general obliviousness to global warming. This dearth of awareness impedes proactive initiatives among employees, officials, students, and management for environmental amelioration. Central to organizational dynamics, leadership emerges as a pivotal catalyst capable of inciting transformative shifts. In light of its multifaceted dimensions encompassing economic, social, environmental concerns, sustainable leadership assumes prominence, further catalyzed by the theoretical framework of change application within organizational contexts (Iqbal, 2020).

Therefore, grounded in theoretical paradigms of transformational ethical leadership (Deng et. al., 2022; Riggio, 2006; Budur, 2022), the relationship between leadership environmental sustainability within organizational contexts is a subject of scholarly interest. Sustainable leadership is recognized for its capacity to integrate environmental considerations into strategic decision-making, fostering a culture of environmental responsibility (Suriyankietkaew et al., 2022; Liao, 2022). Simultaneously, environmental practices, such as waste reduction resource conservation, form a tangible manifestation of organizational commitment to sustainability (Ozbozkurt et al., 2022). Complementing these practices, a sustainable culture, defined by shared values emphasizing environmental responsibility, sustains reinforces environmental initiatives (Masri and Jaaron, 2017). Despite the prominence of these concepts, the empirical validation of mediating mechanisms between sustainable leadership, environmental practices, sustainable culture, green performance has been limited. This research addresses this gap by employing the Partial Least Square (PLS) Structural Equation Model (SEM) to examine the direct impact of sustainable leadership on green performance, while also unveiling the mediating roles of environmental practices sustainable culture. By substantiating these intricate relationships offering practical insights, this study contributes to organizational practice future research endeavors, establishing a foundation for further exploration of the dynamics between sustainable leadership environmental sustainability.

The encompassed literature predominantly explores sustainable leadership's effects across services sector, focusing on the educational institutions ministries. While not extensively delved into, the literature indirectly underscores the role of cultural economic contexts in shaping the influence of sustainable leadership on environmental practices. The reviewed literature, though not directly addressing generalizability, cautions against extending findings to manufacturing or other sectors due to their distinct

operational environmental characteristics. Moreover, acknowledging that the study was conducted within a developing economy primarily centered on the services sector adds pertinent context to these considerations. By recognizing the study's specific focus, the comprehension of the interplay between sustainable leadership, environmental practices, their relevance across varied contexts can be further refined.

3. FRAMEWORK

3.1. Sustainable Leadership Sustainable Performance

Sustainable leadership is a managerial perspective to generate superior more maintainable results (Kalkavan, 2015). Ferdig (2007) demonstrates an increased meaningful interest among those people who have selected themselves to live their lives lead organizations which have ultimately positive impact on health, society, and the global economy. According to McCann (2010), sustainable leadership is also associated with sustainable profits. Gerard (2017) refers to sustainable leadership as the concept calls for organizations to shift focus from the singular, traditional emphasis on investments to a view that the organizations contribute to broader social environmental impacts. Avery (2011) Crews (2010) portray the same concept. Moreover, Sustainable leadership in many industries, institutions organizations is an opportunity to develop a successful strategy for maximum environmental awareness, innovative and longsting success, sustainable development sustainable competitive edge (Jutras 2009; Fable, 2005; Slankis, 2006; Siegel 2009; McCann, 2011; Berchicci, 2012; Miralles, 2017; Al-zawahreh,2019).

Sustainability Goals Organizations around the world have compelled organizations institutions to develop environmentally sustainable skills among the stakeholders so they can become sustainable leaders in the future (Brown, 2010; McIntosh, 2008; Scott, 2012). Higher education institutions are non-profit making in more at cornerstone of eco-friendly sustainability (Leach, 2008). Research development efforts the experience of universities higher education institutions have enabled many professional organizations to develop new process strategies to assimilate the environmental concerns into their business processes to achieve high-performance indicators for environment, society businesses. Therefore, organizations may be instructed to do prepare (Foo, 2013; Shriberg, 2002; Jutras, 2009).

According to Miller Friesen (1983), sustainable leadership is defined as the behavior of managers who aim to support green initiatives innovations to develop an additional competitive edge for the organization. Sustainable leadership involves the practices that create long-lasting value for all

stakeholders, in which future generations and society environment are included (Edge, 2015). Sustainable leadership has many essential characteristics; for example, environmental social impacts (Avery Bergsteiner, 2011; Crews, 2010), society, global economy, earth (Ferdig, 2007), environmental dynamism (McCann, 2010). In the organizational context, sustainable leadership has significant importance to achieve environmental sustainability. Therefore, sustainable leadership in education sectors can be defined as the input in social sustainability or the wellbeing of people.

The new challenge for organizational leaders today is to successfully guide their organizations so that they can sustain achieve sustainability goals eventually (Fable et al., 2005). Slankis (2006) stated that sustainable leadership concepts could allow an organization to gain a competitive advantage and move towards permanent improvement. The real value of sustainable methods lies in the use of sustainability as a driving power that contributes any environmental innovation, technology or the organizational process that seeks to find the best method to run any organizational activity, function, process in an ethically sustainable way. Many stakeholders call on organizations to play a critical role in maintaining protecting the environment from destruction through their research. Sustaining a green environment requires a strong leadership commitment to embed sustainable practices, policies, procedures in their organizations. (Al-zawahreh, 2019). Therefore, it is crucial to study sustainable leadership in an organizational context. In the last few decades, the world has ignored the sustainable environment overall the world. Specifically, the facets of sustainability have also been ignored, for instance, sustainable leadership sustainable culture. However, the study on sustainable leadership has significant importance in the contribution of literature. Institutions have an influential role in the development of the country's environmental growth. Therefore, investigation on sustainable leadership in this area can enhance the environmental performance of institutions itself as well as the country. Slankis (2006) has given the ten items scale to measure sustainable leadership, as far as scholars are concerned with this concept, McCann (2010), (2011), (2014) used these ten items in his research for defining measurement of sustainable leadership. Therefore, we are adopting the same scale to measure sustainable leadership in an organizational context.

3.2. Conservational Practices Sustainability

Conservational issues are becoming increasingly crucial for all organizations industries as leaders' managers face a growing public understanding sensitivity for the environment. The strict regulations of

environment pressure of stakeholder to protect the natural environment are significantly increasing in last decade (Leonidou, 2013; Dinda, S. 2004; Yu, 2017). Organizational culture can develop a management team to guide the goals spread current rules values to protect the environment (Gao, 2017). An efficient effective organization's culture defines a significant efficient way to behave within the organizational operations. An influential sustainable culture has different facets; for instance, it includes the beliefs values that everyone accepts willing to follow. An excellent sustainable culture spreads positivity for society, economy, environment, which ultimately improves employees' behaviors strengthen the communication among all stakeholders. Initially, the scale of sustainable culture was developed by Banerjee in 2002. This scale was used by Mert Gürlek and Muharrem Tuna in 2017, Marshall in 2015 Fraj-re in 2009, which shows that the operationalization usage of the scale is significant.

In the current era, most of the organizations and all governments try to protect the environment, the conservational practices are standard among all countries, organizations, educational institutions. They note that in every part of the world, to start their businesses would have managed some climate-sensitive activities (Gast, 2017; Sari Yanginlar, 2015; Sharma, 2017). Additional aspects, for instance, social responsibility requirements government rules regulations also force organizations to adopt environmentally friendly activities practices (Majid, 2020 Govindan, 2015; Hsu, 2013; Diabat Govindan, 2011). The organizations that have developed rules and regulations for their environmental sustainability have an extra advantage on their competitors because the current world population is more aware of the environment (Rusinko, 2007; Mitra Datta, 2014; Li, 2017). Chen Chang (2012), green innovation environmental practices have become a robust competitive tool, as consumers become more concerned with the environment green products become more marketable. Environmental practices scale is adopted from Seles (2019).

Organizations can use green innovation not only to develop a differential strategy but also to meet a country's environmental needs (Chen 2008; Sheu 2014). Green Performance also delivers crucial evidence on environmental influences, governing compliance, regulatory systems. (Soubihia, 2015), which represents the effectiveness efficiency of organizational environmental work (Henri and Journeault, 2008). Furthermore, Hart (1995) shows, organizational resources have a pivotal role to play in the success of strategical environmental initiatives, a resource which can support the green performance of organizations competitive advantage is green organizational culture (Banerjee, 2002). Green performance has significant importance in environmental social research. Importantly, it has more

significance when researchers discuss the impacts of social variables such as leadership culture on the environmental variables. The green performance scale has adopted from Wang (2019), who has adopted this scale from Yu (2017). It shows that different research studies validated the scale of green/sustainable performance at organizational level, there is no critical question on the scales.

In the growing global literature on employee green behavior at work, little attention has been paid to the influence of the leader's specific support for the environment, the mechanisms by which it affects employees' behavior with the environment (Priyankara, 2018). Psychology is a crucial element of leadership; therefore, Singh (2013) Schaubroeck (2011) illustrated that leadership contributes significantly to individual team performance in the organization. The collective belief of leadership can enhance the organizational level significantly (Frazier et al., 2017). Experimental evidence also suggests an association between psychology employee performance (Carmeli et al., 2010). Contemporary literature identifies that there is a significant positive relation exists in the leadership performance of the organization (Gu et al., 2013) such as green performance.

Furthermore, according to the social exchange theory, performance is an essential outcome of leadership, therefore it is argued that sustainable leadership may have a significant positive role in the green performance of an organization (Singh, 2013; Schaubroeck, 2011). The environmental sustainability pattern revolves around the size value of the natural planets, the environment, how they gradually become more resilient productive in order to meet the needs of human life. Since time immemorial, sustainable leadership relationships with the environment have been relevant. However, the importance sensitivity of environmental sustainability depends on the start of each new day. Challenging context using it for societal economical gains it becomes a fatal dilemma. A number of policy makers and organizations researchers have previously published excellent texts reviews in the field of environmental practices sustainable leadership (Mensah, 2019; Woo, 2020).

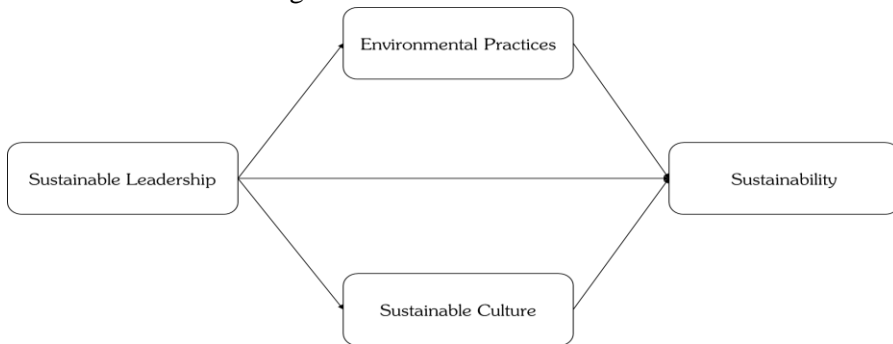
3.3. Green Culture Sustainable Performance

According to Gerard (2017), the concept of sustainable leadership is evidence of a sustainable culture in the organization, especially in institutions. Therefore, it is hypothesized that there is an essential association between sustainable leadership and the culture of the organization. In this study it is hypothesized evaluated that there is a significant relationship between sustainable leadership sustainable or green culture. Moran and Volkwein

(1992) suggest that culture is a critical element which has a significant role in building an organization's attitude, beliefs, values, ideologies. It may be argued that a practical application of sustainable leadership is contingent with an influential sustainable culture, a sustainable culture helps leaders to support maintain sustainable leadership coupled with sustainability.

Furthermore, it has been suggested that "leadership is related to the development of organizational culture" (Bar and Dowding, 2012, p. 65) thus it can be argued that the leadership of an organization can have a profound effect on its culture. The key topic in the development of leader's employees' behaviors towards the environment. If there is no cultural growth coupled with safety inside of the organization, the basis for sustainable leadership is sorely lacking. As identified, literature presents many elements considerations of stable leadership. However, the theoretical framework aims to provide a comprehensive integrated framework that organizations can understand and use.

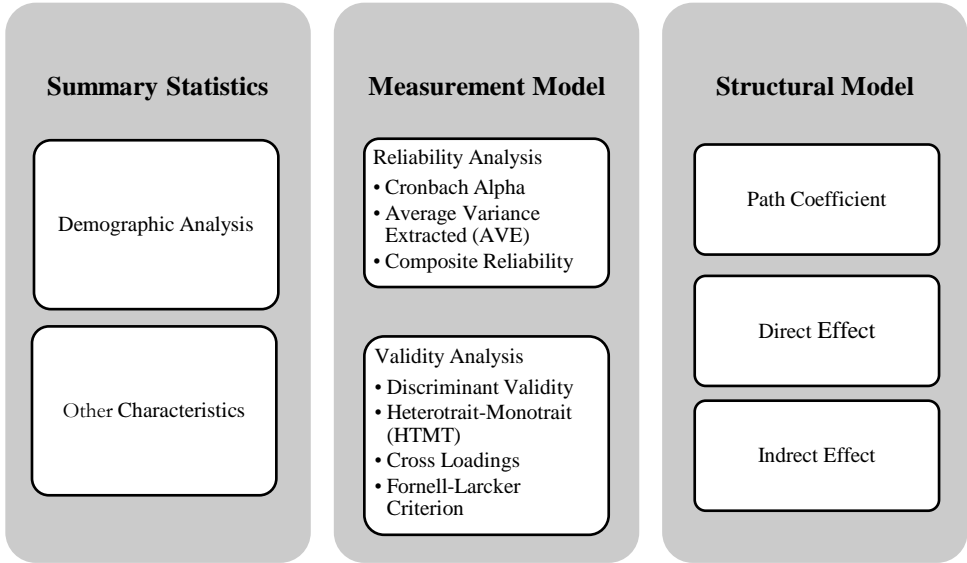
Figure 1. Framework of Research



4. RESEARCH METHODOLOGY AND FINDINGS

The framework of the research method is presented in Figure 2. At first research concept variables have been identified studied. A detailed review of literature has been conducted to develop theoretical framework for this research. However, four variables have been chosen to include test in this study i.e., sustainable leadership, environmental/conservational practices, green/sustainable culture sustainable/green performance. The method followed by the identification finalization of questionnaires to measure the concept to collect to data on it. The data has been collected in the context of organization.

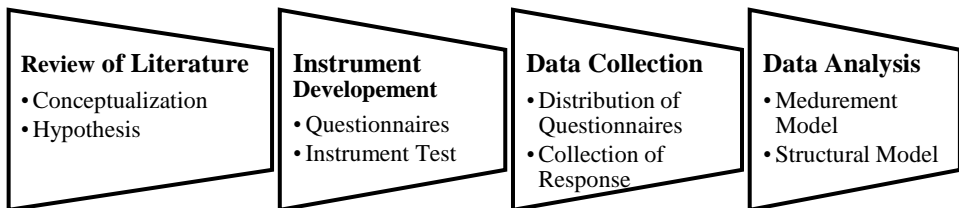
Figure 2. Analysis Included in Study.



Source: Researcher’s Own Work.

The proposed research study is quantitative in nature. The data is collected through paper-based questionnaires, in addition to that Google form is also used for data collection. Organizational stakeholders are one of the main contributors’ creators of knowledge information which ultimately contributes to the overall performance of an organization (Demirkasımođlu, 2016). Accordingly, the unit of analysis of this quantitative research is individuals. In this research a cross-sectional approach has been followed for data collection. The data is collected at a single point of time. The following comprehensive method of research is given in Figure 3.

Figure 3. Methodology Followed in Study



Source: Researcher’s Own Work.

The target population is individuals working in organizations institutions in the services sector. Data is collected through randomized sampling from the organizational stakeholders in Pakistan analyzed by using

Partial Least Squares (PLS) modeling in Smart PLS 3 Version 2.8. The details of questionnaires used in this study are given in Table 1.

Table 1. Questionnaires Used in Study

Sr.#	Variable	Type of Variable	Scale	Items/ Questions	Adopted from
1.	Sustainable Leadership	Independent Variable	5-Point	10	(Slankis, 2006)
2.	Sustainable Performance	Dependent Variable	5-Point	9	(Wang, 2019)
3.	Green Culture	Mediator	5-Point	7	(Mert, 2017)
4.	Environmental Practices	Mediator	5-Point	9	(Seles, 2019)

4.1. Analysis

To achieve research objectives, answer research questions, evaluate the hypothesis test the proposed causal relationships in the research framework, statistical calculations have been performed using SMART PLS 3.2.7 by Partial Least Square equation modeling technique. This section divides the analysis into three sections i.e. demographic analysis, measurement model, validity analysis, structural model results of the study.

4.2. Demographic Analysis

In the section dedicated to demographic analysis, a comprehensive breakdown of respondent characteristics is presented with corresponding frequencies. This includes pivotal attributes such as age, organizational affiliation, gender, encapsulating the distinct realms to which respondents belong. The objective of this demographic analysis resides in delineating a precise portrait of the respondent profile. Within this endeavor, the analysis endeavors to furnish an elucidative representation of the respondent demographic spectrum. Table 2 duly encapsulates pertinent data concerning Age, Profession, Department type. Initially, the age factor is segmented into discrete quartiles: (20-27, 28-35, 36-42, Above 42), affording a comprehensive evaluation based on age parameters. Additionally, the analysis subdivides the profession category into two discernible cohorts, notably stakeholders' employees, thus furnishing a finer granularity to this vital facet. The educational level for the respondents is above at least bachelor's degree. Lastly, the organizations are divided into four major groups.

Table 2. Demographic Analysis
Demographic Details of Respondents

Variable	Group	Profession	Total
Age	20 – 27	184	306
	28 – 35	72	
	36 – 42	33	
	Above 42	17	
Gender	Female	114	306
	Male	192	
Organization	Information Communication and Technology (ICT)	52	306
	Education Management	63	
	Engineering Environment	145	

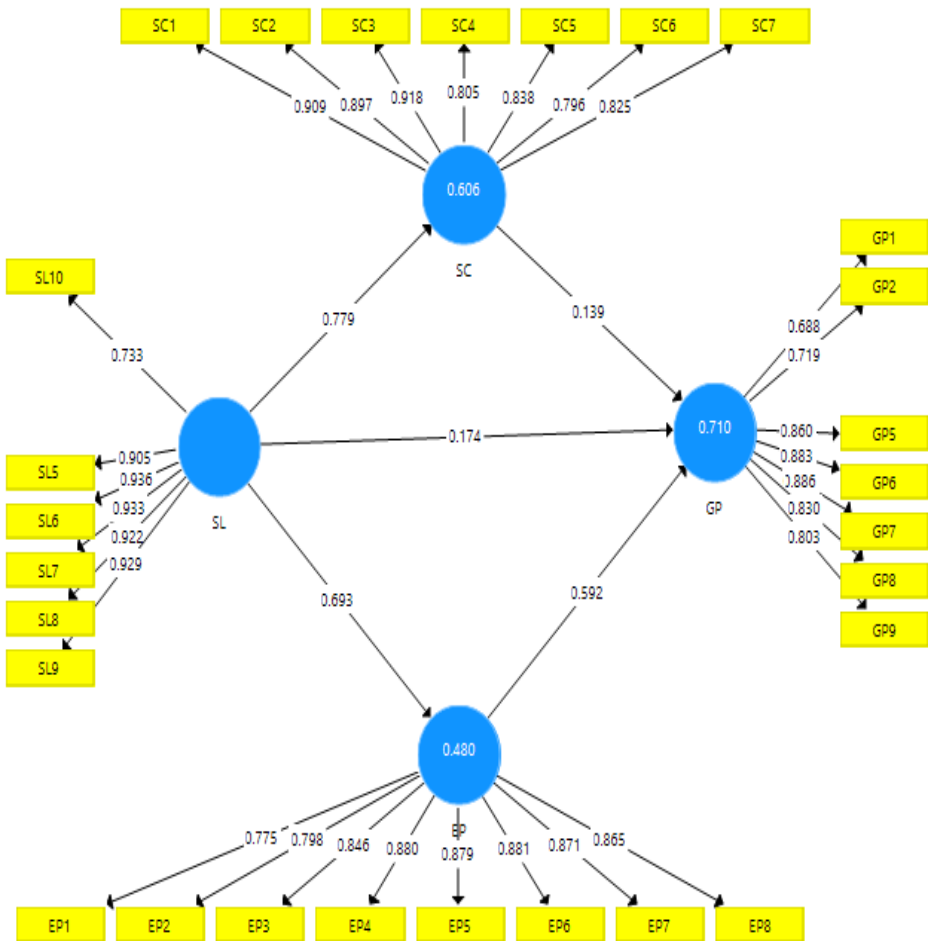
4.2.1. Measurement Model

A measurement model in social sciences research studies is a part of the structural equation model, it refers to the association between the observations having during research theoretical supports of the construct. Mainly it includes reliability validity analysis. Firstly, the Reliability Analysis includes Cronbach Alpha, Average Variance Extracted (AVE), Composite Reliability. Secondly, the Validity Analysis includes Discriminant Validity which is based on Heterotrait - Monotrait Ratio (HTMT), Cross Loadings and Fornell-Larcker Criterion. The measurement model is given below in Figure 4.

Instrument reliability is one of the fundamental components of data analysis. Reliability analysis is concerned with the accuracy precision of a measurement scale. Instrument reliability ensures that the indicators used to measure a construct are correct and valid. According to Creswell (2009), a research instrument is reliable if the scale produces the same results in the same conditions. Another standard for reliability is that all measurements are measuring the same concept represent the ultimate constructs with accuracy. The higher reliability of the scale represents more precision accuracy of the scale.

Moreover, high reliability means the indicators are effectively measuring the relevant construct in the relevant field. Commonly, three indicators are used to measure the reliability of a scale. These three standard measures are Cronbach alpha, Composite Reliability, Outer Loadings. Out of methods as mentioned above, two are construct based criteria's (Cronbach Alpha, Composite Reliability), Outer loading is indicator-based criteria.

Figure 4. Measurement Model



The first criterion to assess the internal reliability consistency of a scale is Cronbach alpha. Cronbach alpha indicates that how many indicators used to measure latent variables are closely related as a group. Cronbach alpha value above 0.60 is the lowest acceptable criterion for the research study in social sciences. Commonly, the rule of thumb is Cronbach alpha value equal to, or more than .70 is required. Cronbach alpha high value does not indicate that latent variable has multi-collinearity or latent variable is unidimensional.

The second criterion used to assess the internal reliability consistency of the scale is composite reliability. Some researchers recommend this criterion as the best alternative to the Cronbach Alpha. Composite reliability is also known as scale reliability. The composite reliability score is computed by dividing the total actual score variance by total scale variance. The minimum threshold set by the researcher for the composite reliability is 0.5.

The third criterion used to measure reliability is outer loading. Outer loading is defined as the relationship between an indicator with its latent variable. Basically, Outer loading defines a contribution by an indicator to its relevant constructs. The outer loading for an indicator more than 0.70 is acceptable. However, if outer loading is less than 0.70, researchers cannot drop that until the composite reliability or AVE can be improved. Therefore, it is imperative to retain or remove some items which have factor loading less than 0.70 in the measurement model to improve the AVE or composite reliability.

To evaluate the internal consistency reliability, the Cronbach alpha of each latent variable is utilized presented in Table 3 below. To establish the internal consistency of constructs, Cronbach alpha's value must be more than .70. In Table 3, all the latent variables have high internal consistency reliability as Cronbach alpha of each latent variable is above .70. The minimum Cronbach alpha in the table below is .913. This means that this variable has covered 91% measurement of asked phenomena.

Composite reliability is another criterion to measure the internal consistency reliability of variables used in the research model. According to (Mantas, 2008), the composite reliability should be above .50 to established internal consistency reliability. In Table 3, all the latent variables have high internal consistency as the composite reliability of each latent variable is above .50.

Outer loadings are used to measure the individual reliability of all indicators of all latent variables. According to (Wong K.K.K, 2013), outer loadings more than .70 are acceptable to established indicator reliability. Indicators have outer loadings less than .70 have been dropped to improve the AVE composite reliability of the data. Therefore, one item from environmental practices (EP9), two items from green performance (GP3 and GP4), four items from sustainable leadership (SL1, SL1, SL3 and SL4) have been dropped to improve the Composite reliability AVE of the latent constructs. Staying outer loadings are presented in Table 3.

AVE is used to discuss convergent validity in the analysis. The most common measure used to evaluate convergent validity is AVE. In the current study, the AVE for all the variables used in the study is above 0.50. This indicates that convergent validity has been established. The minimum value of AVE in this study is for the variable green performance is 0.661 that exceeds from the minimum threshold of 0.5.

4.2.2. Discriminant Validity Analysis

Validity is defined as the degree to which any instrument measures what it was planned to measure. Another definition of validity prescribed it as the research instrument precision, fitness, relevance efficacy data from collecting it. In SEM (Structural Equation Modelling) validity has two types. One is convergent validity, other is discriminant validity. This study has evaluated both types of the validity of the proposed research framework above. To set up convergent validity, each construct must have an AVE value of more than 0.5 shown in Table 3. To discuss the validity, three criteria are used in this study, Fornell-Lacker Criterion, HTMT Ratio Cross Loadings.

In Smart PLS, Fornell-Lacker Criterion is the first criterion used to assess the discriminant validity. Fornell-Lacker criterion is established by Fornell Larker (1981). This criterion evaluates the discriminant validity in complete detail. In this method, the square root of AVE of each variable must be higher than the correlation of the same variable with others. The results of Fornell-Lacker Criterion are in matrix form. The values on the top of diagonals must be higher than the values below. In Table 4 Panel A, the values on the top of diagonals are higher than the values below, which means that discriminant validity has been established.

HTMT is a new criterion to evaluate discriminant validity in SEM. Smart PLS produces the results of HTMT in the index table. HTMT stands for Heterotrait-Monotrait Ratio. It is a new innovative method alternative of Farnell-Lacker criteria used to evaluate discriminant validity in the PLS-SEM. The average of correlations between all variables in the model has been used to measure HTMT. The milestone for the HTMT ratio is 0.9, which means two variables are correlated, but the correlation is not more than 0.9, it indicates multi-collinearity. In Table 4 Panel B below, the results indicate that the average correlation between variables is less than 0.9 which indicates that discriminant validity has been established.

Table 3. Measurement Model Convergent Validity
Measurement Model

Sign	Question	Loading	AVE	CR	CA
Conservational Practices (practices or initiatives for making environment green healthy) (Seles, 2019)					
CP1	Organization provides/arranges environmental training programs.	0.78			
CP2	Organization does eco-efficiency projects. (energy efficiency, reduce human and environment risks)	0.80			
CP3	Organization reuse, recycle remanufacture products, etc.	0.85			
CP4	Organization installs emission filters. (to increase air quality)	0.88			
CP5	Organization acquires environmental technologies. (wind power, hydro power, solar systems, bioenergy)	0.88	0.72	0.95	0.95
CP6	Organization focuses on innovation related to environmental issues. (to increase environmental health)	0.88			
CP7	Organization behaves positively towards green initiatives (purchase of environment friendly products)	0.87			
CP8	Organization considers environmental criteria in the selection of supplier. (in their purchase)	0.87			
Green Performance (how well your people are engaging with fulfilling your environmental objectives) (Wang, 2019)					
GP1	Organization conforms to requirements of inputs of energy. (rules and regulations related to environment)	0.69			
GP2	Organization conforms to requirements of community relations.	0.72			
GP5	Organization conforms to requirements of outputs of wastewater.	0.86	0.66	0.93	0.91
GP6	Organization conforms to expectations of implementation of environmental policies programs.	0.88			
GP7	Organization has achieved important environment related certifications (e.g. iso 14031).	0.89			

GP8	Organization has regularly achieved targets for energy conservation, recycling, or waste reductions.	0.83			
GP9	Organization has improved its environmental performance over the past years.	0.80			
<hr/>					
Sustainable Culture (maintenance of cultural beliefs, cultural practices, culture entity, future existence of culture) (Mert, 2017)					
SC1	Information is provided to understand the importance of social sustainability (wellbeing of people).	0.91			
SC2	The organization promotes social sustainability as a major goal across all departments.	0.90			
SC3	The organization has a clear policy statement urging social sustainability in every area of operations.	0.92	0.73	0.95	0.94
SC4	Social sustainability is a high priority activity in the organization.	0.81			
SC5	Social sustainability holds central value in the organization.	0.84			
SC6	The organization understands that it has a responsibility to be socially sustainable.	0.80			
SC7	The organization works for an image of social sustainability.	0.83			
<hr/>					
Sustainable Leadership (values for all stakeholders - investors, environment, species, future generations community) (Slankis, 2006)					
SL10	The leader has energy passion to communicate vision encourage innovation drive.	0.73			
SL5	The leader has shown adaptability (manage, implement change).	0.91			
SL6	The leader has shown patience (commitment to long term).	0.94			
SL7	The leader has translational skills (convert thoughts into the idea).	0.93	0.80	0.96	0.95
SL8	The leader has shown persuasiveness (communication building relationship).	0.92			
SL9	The leader has ability to mentor people for their development.	0.93			
<hr/>					

Table 4. Discriminant Validity

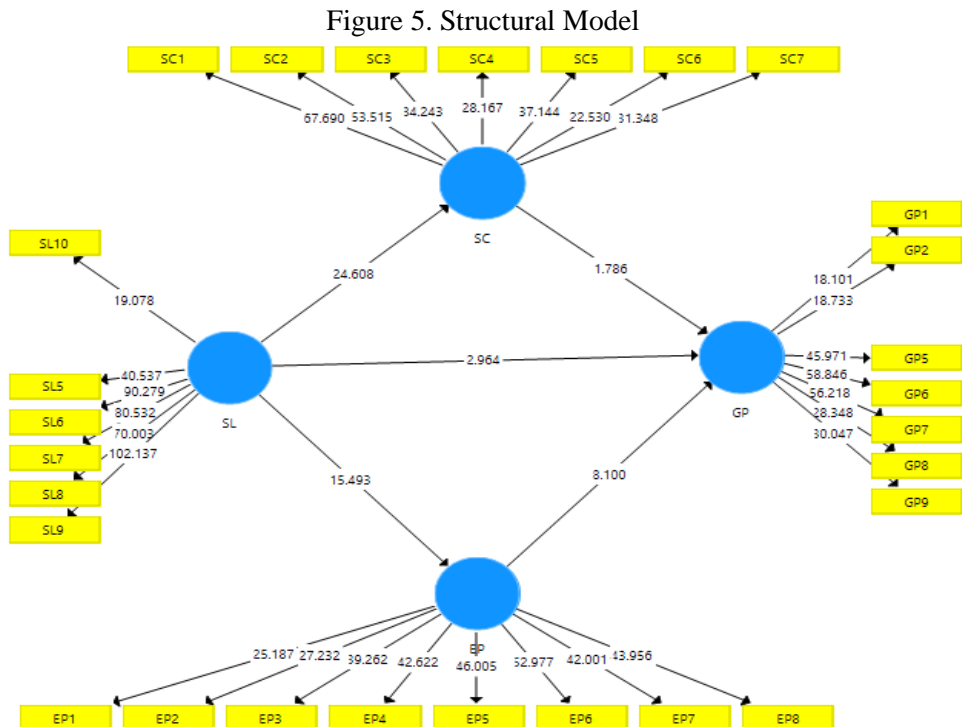
Discriminant Validity Tests				
Variable/Construct	Conservational Practices	Green Performance	Sustainable Culture	Sustainable Leadership
Panel A: Fornell-Lacker Criterion				
Conservational Practices	0.85			
Green Performance	0.82	0.81		
Sustainable Culture	0.80	0.75	0.86	
Sustainable Leadership	0.69	0.69	0.78	0.90
Panel B: Heterotrait-Monotrait Ratio				
Conservational Practices				
Green Performance	0.89			
Sustainable Culture	0.84	0.80		
Sustainable Leadership	0.72	0.74	0.81	
Panel C: Cross Loadings				
CP1	0.78	0.66	0.78	0.64
CP2	0.80	0.68	0.78	0.68
CP3	0.85	0.72	0.65	0.56
CP4	0.88	0.68	0.63	0.56
CP5	0.88	0.71	0.65	0.57
CP6	0.88	0.72	0.61	0.54
CP7	0.87	0.71	0.63	0.56
CP8	0.87	0.72	0.67	0.57
GP1	0.63	0.69	0.45	0.44
GP2	0.65	0.72	0.51	0.49
GP5	0.67	0.86	0.61	0.58
GP6	0.70	0.88	0.66	0.61
GP7	0.73	0.89	0.69	0.64
GP8	0.67	0.83	0.66	0.57
GP9	0.64	0.80	0.62	0.58
SC1	0.66	0.65	0.91	0.74
SC2	0.68	0.69	0.90	0.70
SC3	0.67	0.65	0.92	0.72
SC4	0.56	0.57	0.81	0.56
SC5	0.75	0.68	0.84	0.68
SC6	0.71	0.60	0.80	0.59
SC7	0.74	0.63	0.83	0.67
SL10	0.66	0.65	0.86	0.73
SL5	0.55	0.56	0.62	0.91
SL6	0.60	0.61	0.64	0.94
SL7	0.64	0.65	0.71	0.93
SL8	0.60	0.60	0.64	0.92
SL9	0.63	0.62	0.66	0.93

CP = Conservational Practices, GP = Green Performance, SC = Sustainable Culture, SL = Sustainable Leadership

Another method to measure discriminant validity is cross-loadings. In Smart PLS, after Farnell-Lacker Criterion, Cross loadings is the second authenticated way to substantiate discriminant validity. This technique makes sure that cross-loading of each item in its constructs is higher than the other constructs tested in the relevant research theoretical framework shown in Table 4 Panel C. High cross-loading of each item in its construct means that these items are successfully measuring his construct rather than other constructs. In the current study, all the items are presenting their relevant construct rather than other constructs which are not relevant to them. As these items are presenting their constructs with high values others with low values, it means discriminant validity has been established. This also ensures that the multicollinearity between constructs does not exist. The values of all items/indicators which are included in the adjusted measurement model have loaded more than 0.40 have a higher representation of own constructs rather than other constructs.

4.3. Structural Model

The results of using structural equation model are given in Figure 5.



Results of this study show that there is the significant impact of conservational/environmental practices on green/sustainable performance the alternate hypothesis of environmental practices has been accepted with p-value 8.100 p-value 0.000 which shows that there is the significant positive effect of environmental practices on green performance. Secondly, the result shows an insignificant but positive effect of sustainable culture on green performance with t-value 1.786 p-value 0.074, which is slightly insignificant. However, the alternate hypothesis of a significant positive result of sustainable culture on green performance has been rejected. Thirdly, the alternate hypothesis of a significant positive result of sustainable leadership on conservational practices has been accepted with t-value 15.493 p-value 0.000, which shows the there is a highly significant positive result on environmental practices.

Table 5. Path Coefficients, Direct Effect, Indirect Effect

Structural Model						
Relationships	Sample	Mean	S. D	T-Stat	P-Value	Decision
Panel A: Path Coefficient						
CP_ -> GP	0.59	0.59	0.07	8.10	0.00	Null Hypothesis Rejected
SC_ -> GP	0.14	0.14	0.08	1.79	0.07	Fail to Reject Null Hypothesis
SL_ -> CP_	0.69	0.69	0.05	15.49	0.00	Null Hypothesis Rejected
SL_ -> GP	0.17	0.17	0.06	2.96	0.00	Null Hypothesis Rejected
SL_ -> SC_	0.78	0.78	0.03	24.61	0.00	Null Hypothesis Rejected
Panel B: Direct Effect						
CP_ -> GP	0.59	0.59	0.07	8.10	0.00	Null Hypothesis Rejected
SC_ -> GP	0.14	0.14	0.08	1.79	0.07	Fail to Reject Null Hypothesis
SL_ -> CP_	0.69	0.69	0.05	15.49	0.00	Null Hypothesis Rejected
SL_ -> GP	0.69	0.69	0.04	15.60	0.00	Null Hypothesis Rejected
SL_ -> SC_	0.78	0.78	0.03	24.61	0.00	Null Hypothesis Rejected
Panel C: Indirect Effect						
SL_ -> GP	0.52	0.52	0.05	10.09	0.00	Null Hypothesis Rejected

CP = Conservational Practices, GP = Green Performance, SC = Sustainable Culture, SL = Sustainable Leadership

Fourthly, the results of this study show there is a significant positive result of sustainable leadership on green/sustainable performance. In this study,

sustainable leadership is the independent variable, green performance is dependent variable at both ends. The hypothesis of sustainable leadership effect on green performance is accepted with t-value 2.964 p-value 0.00. Lastly, the significant positive effect of sustainable leadership on sustainable culture has been evaluated in this study. The hypothesis of sustainable culture on sustainable culture has been accepted with t-value 24.608 p-value 0.000. Path Coefficients of each hypothesis are shown in Table 5 Panel A, Direct Effect in Panel B Indirect Effect in Panel C.

This chapter briefly presented the analysis of data collected from the respondents. Firstly, this chapter provides a brief overview of the demographic profile of respondents in the demographic analysis. Secondly, the measurement model has been presented in detail considering the guidelines provided by Hair et al. (2010). Construct's reliability validity has been discussed in detail. At last, the structural model has been evaluated in which the impact of the latent variable has been observed. Last, the summary of results is presented. Out of five hypotheses proposed above, the total numbers of four hypotheses have been accepted.

5. DISCUSSION

The current paper addresses several gaps identified by global research scholars. Existing literature highlights limitations in research concerning the implementation of green practices for operational improvement with an environmental focus (Lai, 2011). Additionally, the field of sustainability lacks empirical research (Suparak, 2016), including scant attention to the relationship between leadership firm sustainable performance (Boadu, 2018), the mechanisms through which leader support influences employees' environmentally conscious behavior (Priyankara, 2018). Furthermore, scholars emphasize the need for organizational leadership to integrate green policies environmental sustainability into strategic planning (Al-Zawahreh, 2019), along with the potential impact of leader knowledge on future green performance projects (Sang, 2018), the influence of organizational culture on awareness, idea generation, leadership, green employee values (Zhou, 2018). The study's findings affirm a significant positive influence of sustainable leadership on green performance, sustainable culture, environmental practices. The research confirms the positive relationship between environmental practices green performance but indicates an insignificant impact of sustainable culture on green performance, potentially influenced by cultural dynamics in developing countries. This study bridges identified gaps, offering practical

insights for organizations to enhance sustainability through environmental practices, sustainable culture, sustainable leadership. Ultimately, sustainable leadership plays a pivotal role in improving green performance. Future research is suggested across diverse contexts with larger sample sizes. Organizations are advised to adopt environmental practices prioritizing sustainable leadership for enhanced environmental outcomes.

The confirmed positive significant relationship between sustainable leadership and green performance is rooted in social exchange theory, wherein sustainable leadership's alignment with employees' values influences performance. The pivotal role of organizational leadership in decision-making substantiates the strong link between leadership performance. Additionally, the research establishes the significant impact of environmental practices on green performance, with environmental practices acting as mediator enhancer in the sustainable leadership-green performance relationship. The ease of identification sustainable leader emphasis on environmental practices contributes to this result. Furthermore, the study substantiates the positive relationship between sustainable leadership sustainable culture, showcasing how sustainable leadership, encompassing economic, societal, environmental considerations, fosters a holistic organizational culture.

However, the relationship between sustainable culture green performance is found to be insignificant. Possible reasons include the complex long-term nature of culture building. The study posits that sustainable culture's significant role may lie in societal benefits profits rather than immediate green performance. Moreover, the COVID-19 pandemic's impact on organizational culture the sample size limitations could contribute to this insignificance. Despite this, environmental practices showcased significant outcomes, possibly due to their continued adoption during lockdowns. Additionally, the pandemic's effect on organizational populations might have influenced green performance, while culture's reliance on people could have contributed to the observed insignificance.

5.1. Theoretical Implications

This research expands the knowledge base by offering a comprehensive overview of relevant constructs, employing an established theoretical framework, and empirically validating specific relationships. While the significance of sustainable culture's impact on green performance necessitates further exploration, the confirmed relationships shed light on the mechanisms through which sustainable leadership environmental practices positively influence green performance. This study serves as a steppingstone

for future investigations, encouraging scholars to delve deeper into the intricate dynamics between these constructs, fostering more sustainable organizational practices outcomes. **Practical Implication**

This research holds practical relevance for organizational management as it offers insights to guide the implementation of novel strategies aimed at enhancing green performance ensuring long-term sustainability. Additionally, the findings can effectively inform the agenda points of organizations, contributing to the formulation of sustainable objectives goals. Moreover, the study serves as a valuable resource by presenting diverse avenues through which organizations can bolster their green performance and elevate their commitment to environmental practices. The identified processes methodologies are transferable across multiple organizational contexts, suggesting their broad applicability.

Furthermore, the research delves into specific environmental practices, including ISO certification, afforestation initiatives, integration of renewable solar energies, and efficient waste management. By shedding light on these actionable practices, the study offers concrete steps that organizations can take to tangibly improve their environmental footprint operational sustainability. The exploration of these practices further enriches the practical implications of the research, providing a comprehensive study for organizations to draw upon in their pursuit of environmentally conscious operations.

6. CONCLUSION

Amid global environmental concerns, linked to human well-being, the United Nations' sustainability goals emphasize environmental importance. Organizational sustainability remains understudied, particularly in green performance. Addressing this gap, the study identifies factors affecting green performance, confirming the positive impact of sustainable leadership environmental practices. It also highlights the mediating roles of sustainable culture environmental practices between sustainable leadership and green performance. However, sustainable culture's insignificant impact on green performance may stem from factors like the pyemic, diverse leadership priorities, varying emphasis on economic, societal, environmental benefits. The study contributes to enhancing green performance by integrating environmental practices sustainable leadership. **Limitations Future Research Directions**

Several limitations characterize this research. Firstly, the study's scope is restricted to a specific developing economy, the services sector, potentially limiting the generalizability of findings to broader contexts industries.

Secondly, the cross-sectional nature of the research design precludes the establishment of causal relationships among variables, warranting caution in interpreting causality. Additionally, reliance on self-reported data may introduce common method bias subjectivity. The study's focus on a specific set of variables may overlook other relevant factors influencing the relationships investigated. Moreover, the absence of data on respondents' educational backgrounds might influence the comprehensiveness of the findings. Lastly, external environmental factors, including regulatory changes technological advancements, are not deeply examined, potentially impacting the dynamics explored.

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Undergraduates Academic Engagement: The Predictive Power of Academic Stress, Emotional Intelligence Resilience

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Abstract

This study investigated the predictive power of academic stress, emotional intelligence resilience on undergraduates' academic engagement. Cross-sectional survey design was adopted, a multi-stage sampling technique was used to select 420 respondents, out of which 398 (94.8%) were retrieved. Two hypotheses were formulated tested with the use of descriptive statistics, Pearson Product Moment Correlation, multiple regression analysis at the 0.05 level of significance. The findings of this study revealed that 45.1% of the total variance in the undergraduates' academic engagement is accounted for by academic stress, emotional intelligence resilience. Furthermore, there were significant positive relationships between academic engagement emotional intelligence, as well as resilience. However, significant but negative relationship existed between academic stress academic engagement. The study concluded that institutional policies structures should be designed to cushion the negative effect of stress on learning. Therefore, it was recommended that emotional intelligence resilience studies be incorporated into the school curriculum.

Keywords: Academic Engagement, Academic Stress, Emotional Intelligence, Resilience, Undergraduates, Learning.

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1. INTRODUCTION

Every nation hopes to have a bright future needs to emphasise education because it is the way to development. Yusuf Al-Banawi (2013) noted that education is an essential investment in modern economics because, as previously seen within the framework of a knowledge-based economy, there is a strong positive correlation between economic activity education in explaining economic growth. Olayanju (2014) posited that education is critical in building human capacity skills. Academic success is the product of numerous variables that

collectively aid university students in their experiences increase their chances of attaining a postsecondary degree. To further clarify the nature of this success, there are areas in the literature dedicated to exploring student academic engagement.

Student engagement has recently become one of the school's desired outcomes because of its strong connection to student academic success well-being. Previous research had demonstrated strong links between student engagement in learning such outcomes as school dropout, drug use, mental health, academic outcomes. From the researcher's teaching experience over the years, students who engaged in learning were found to be more successful academically less likely to drop out of school. They were intrinsically motivated to invest in learning, attend classes, participate in study activities.

Student engagement has been a debatable issue for educational leaders. Engagement in education corresponds to academic engagement, which refers to a state of psychological well-being commitment to studies (Ayodele, et. al., 2021). Student engagement has primarily historically focused upon increasing achievement, positive behaviours, a sense of belonging in students so they might remain in school be successful. The dynamics of the scholastic atmosphere have made the issue of academic stress, emotional intelligence academic resilience to be essential for rousing academic performance among students. In respect of this view, it is paramount to examine their roles in the improvement of students' academic engagement (Ononye, et al. 2022).

Academic stress is mental distress concerning some anticipated frustration associated with academic failure or even unawareness of the possibility of such failure (Manikan and Neethu, 2018). Students face many academic demands, for example, school examinations, answering questions in class, showing progress in school subjects, understand what the teacher is teaching, competing with other classmates, fulfilling teachers' parents' academic expectations. These demands may tax or exceed the available resources of the students. Consequently, they can be under stress since the demand is related to achieving an academic goal. According to Olanrenwaju (2017), academic stress reflects the perception of an individual's academic frustration, academic conflict, academic pressure, academic anxiety. Therefore, the need to see how students approach academic activities in a learning context could be influenced by academic stress.

Emotional intelligence (EI) is the act of recognizing, understanding been able to control one's emotions other peoples' emotions (Bhuyan, 2021). Emotional intelligence (EI) is a type of aptitude that involves monitoring one's feelings that of others, discriminating among the two entities, using gathered

information to guide one's behaviour. Students who are successful in their educational goals possess the ability to perceive, assimilate, understand, regulate their personal other people's emotions (Salovey and Mayer, 1990). This implies that emotional intelligence skills could contribute to students' academic engagement. Slatten, et. al. (2021) asserted that it is reasonable to believe that EI would probably yield a desirable attainment outcome since emotions can widen the concentration cognition of students for scholastic knowledge. According to Hartmann et al. (2020) in Ononye, et. al. (2022), increasing spirals of students' academic engagement can affect EI positively if there are positive emotional dynamics stemming from the manifestation of academic resilience.

Academic resilience is described as a cognitive capacity to effectively predict acclimatize to demanding situation in an educational environment (Romano et al., 2021). According to Ononye, et. al. (2022), academic resilience evolved from the array of capabilities that originate from significant scrutiny amendment of maladjustment tendencies that are associated to exigent actions. Also, resilience is associated with basic protective systems, which include problem-solving, mastery, reasoning, meaning-making self-regulation (Theron, 2012). It is the characteristics of the individual (social) environment that stimulate the ability to maintain functioning despite the demands of the situation moderate the effects of stressors on health adjustment indicators (Adariku, 2020; Gowan, et. al., 2014).

Therefore, as student engagement is widely presumed to be malleable, it is relevant to explore the predictors of school engagement outline factors that can influence it positively. In light of the described positive consequences of student engagement, the current study aims at contributing to the growing body of research by exploring the mechanisms of influence on student engagement. This study assessed the influence of academic stress, emotional intelligence, resilience on undergraduates' academic engagement in Ogun State, Nigeria.

The following hypotheses are formulated for testing at a 0.05 level of significance.

1. There is no significant relationship among academic stress, emotional intelligence, resilience, undergraduate academic engagement.
2. There is no significant contribution of academic stress, emotional intelligence, resilience to the prediction of academic engagement among undergraduates.

2. METHODS

Research Design: This research adopted a cross-sectional survey design to assess academic stress, emotional intelligence, resilience as predictors of academic engagement among undergraduates in Ogun State, Nigeria.

Sample Size: The study population comprised all students in the public universities in Ogun State. Available statistics indicated that there were 3 public universities in Ogun State as of April 2023. The Universities consist of one Federal University (Federal University of Agriculture, Abeokuta) two state universities (Olabisi Onabanjo University, Ago-Iwoye Tai-solarin University of Education, Ijebu-Ode). A sample of 420 undergraduates was randomly selected. To select the sample, the universities were stratified into Federal University State Universities. For this study, two universities were selected (Federal University of Agriculture, Abeokuta Olabisi Onabanjo University, Ago-Iwoye) using simple random sampling technique. In order to select undergraduates with similar characteristics, undergraduates from Department of Physics Microbiology were purposively selected because the sampled institutions were offering them. From each institution, two hundred ten (210) undergraduates were selected using disproportionate stratified sampling technique making a total of 420 respondents.

Instrumentation: Four research instruments were used. These are:

Academic Engagement Scale (DeVito, 2016): It is a 10-item questionnaire measured on a 4-point Likert-type scale from 1 (*Never*) to (very often). The scale reported a reliability level of 0.90 a validity level of 0.97.

Academic Stress Scale (ASS) (Sinha, Sharma and Nepal, 2001): It consisted of 30 items measured on a 5-point scale from 1 = Strongly Agree (SA) 2 = Agree (A) 3 = Neutral (N) 4 = Disagree (D) 5 = Strongly Disagree (SD). The scale reported a reliability level of 0.93 a validity level of 0.81.

The Emotional Intelligence Scale (EIS) (Schulte *et al.*, 1998) is 33 self-referencing statements tapping the appraisal expression of emotions in self-others, emotion perception regulation in self-others emotion utilisation. The scale has a Cronbach alpha ranging from 0.72 to 0.93 within the Nigeria context. This was shortened modified into a 21-item by Mabekoje (2014).

Resilience Scale (RS) (Wagnild, 2009): RS-14 is a shortened version of the RS-25 comprising 14 items. Each item is on a 7-point Likert-type scale from 1 (*strongly disagree*) to 7 (*strongly agree*). The scale reported a reliability level of 0.93 a validity level of 0.87.

Data Collection: The researchers personally visited the institutions selected for the study. The course advisers were contacted to request for their support

permission to collect data from the students. The instruments were administered on the respondents that are willing to participate (that is, their consent was sought before the administration). The respondents were asked to fill the instrument independently before returning them to the researcher. Out of the 420 questionnaires distributed only 398 (94.8%) were retrieved useful for the study.

Method of Data Analysis: The data analysis tools adopted include descriptive inferential statistics. Descriptive statistics of frequency distribution mean, standard deviation was used to analyse the data provide answers to the socio-demographic data. Simple regression analysis tests the hypotheses at a 5 per cent significance level ($\alpha = 0.05$) using the SPSS 23 version.

3. RESULTS

Table 1. Respondents' Demographical Data

Sr #	Variable (N =398)	Frequency	%	
1	Age	16-18yrs	67	16.8
		19-21yrs	202	50.8
		22-24yrs	112	28.1
		25yrs above	17	4.3
2	Gender	Male	151	37.9
		Female	247	62.1
3	Religion	Christianity	204	51.8
		Islam	184	46.2
4	Marital Status	Single	352	88.4
		Married	46	11.6
5	Ethnicity	Yoruba	308	77.4
		Hausa	22	5.5
		Igbo	52	13.1
		Others	16	4.0
6	Level	100Level	50	12.6
		200Level	109	27.4
		300Level	91	22.9
		400Level	70	17.6
		500Level	78	19.6

Table 1 shows that 67 (16.8%) of the respondents claimed they are within ages 16-18 years. Two hundred two (50.8%) of the respondents were 19-21 years of age, 112 (28.1%) were 22-24 years of age, 17 (4.3%) were 25 years above. The majority (62.1%) of the respondents were female; 204 (51.8%) were Christians; almost all the participants were singles (88.4%). The participants' ethnic groups revealed that 308 (77.4%) of the participants were Yoruba, 22

(5.5%) were Hausas, 52 (13.1%) were Igbo, 16 (4.0%) were others. The high population observed among the Yoruba is because the study area is situated in Yoruba I. Furthermore, the undergraduates' years of the study revealed that 109 (27.4%) were in 200Level, 91 (22.9%) in 300Level, 78 (19.6%) in 500Level, 70 (17.6%) in 400 Level 50 (12.6%) in 100Level.

Table 2. Pearson Product Moment Correlation Coefficients of the interrelationship between academic stress, emotional intelligence, resilience, undergraduate academic engagement

	Academic stress	Emotional Intelligence	Academic Resilience	Academic engagement
Academic stress	1	.431**	.394**	-.172*
Emotional intelligence	.431**	1	.545**	.618**
Resilience	.394**	.545**	1	.398**
Academic engagement	-.172*	.618**	.398**	1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Results in Table 2 revealed that there were significant positive relationships among academic stress emotional intelligence ($r = .431$; $p = .00 < .05$); academic stress resilience ($r = .394$; $p = .00 < .05$). Also, emotional intelligence is significantly positively related to resilience ($r = .545$; $p = .00 < .05$), academic engagement ($r = .618$; $p = .00 < .05$). Resilience was also positively related to academic engagement ($r = .398$; $p = .00 < .05$). However, significant but negative relationship existed between academic stress academic engagement ($r = -.172$; $p = .05$). Therefore, the hypothesis that stated there is no significant relationship among academic stress, emotional intelligence, resilience undergraduate academic engagement cannot be retained.

Table 3. Summary of Multiple Regression Analysis of composite influence of academic stress, emotional intelligence, resilience on undergraduates' academic engagement

Source of variation	Sum of Squares	Df	Mean Square	F-Ratio	P
Regression	82.902	3	27.634	6.261	.000
Residual	1743.530	395	4.414		
Total	1826.432	398			

R = .677; Multiple R² = .458; Multiple R² (Adj) = .451; Stard error estimate = 3.453

Table 3 shows that undergraduates' academic engagement yielded multiple regression coefficients (R) of .677 a multiple regression square of .451.

This shows that 45.1% of the total variance in the undergraduates' academic engagement is accounted for by academic stress, emotional intelligence, resilience. The Table also indicates that the analysis of variance of the multiple regression data produced an F-ratio value significant at the .000 level ($F_{(3,395)} = 6.261$; $p = .000 < .05$). Therefore, academic stress, emotional intelligence resilience combined to influence undergraduates' academic engagement. Therefore, the hypothesis, "There is no significant composite contribution of academic stress, emotional intelligence resilience to the prediction of academic engagement among undergraduates", was rejected.

4. DISCUSSION OF FINDINGS

The outcome of the first hypothesis revealed a significant composite contribution of academic stress, emotional intelligence, resilience to the prediction of academic engagement among undergraduates. The findings showed that about half of the variance observed in the undergraduates' academic engagement is accounted for by academic stress, emotional intelligence, resilience. It could mean that students encounter myriad stressors impacting their cognitive emotional function, such as an uncondusive learning environment, limited support resources poor teacher support. Academic resilience emotional intelligence has been evidenced as critical personal resources that can stimulate students' related outcomes, like academic performance (AP) engagement. The result corroborates the findings of Chew et al. (2013), Romano et al. (2021), Sarrionia et al. (2018) in their various studies that emotional intelligence resilience enhance academic outcomes as well as buffer the effects of stress on individuals.

The effect of academic resilience emotional intelligence on academic engagement concurred with Zheng et al. (2020) that academic resilience has a predictive association with emotional intelligence in an academic context showed consistency with the findings of Olusoji et al. (2021) Sarwar et al. (2017), where resilience was conceptualised as a facet of psychological capital. That of emotional intelligence, as indicated by Afzal et al. (2016) Da et al. (2021), showed that successful regulation of emotional experiences is a critical aspect of academic resilience engagement. Students with high academic resilience tend to strengthen emotional intelligence processes to adapt positively to challenging situations increase school engagement. Emotional intelligence was one of the protective factors of academic engagement (Thomas and Zolkoski, 2020).

Many studies link positive engagement outcomes with life satisfaction (Hakanen and Schaufeli, 2021; Spedding, Hawkes and Burgess, 2017). Zheng et al. (2020) confirmed the predictive power of resilience emotional intelligence on secondary school student's academic success in Shanghai, China. Tugade Fredrickson (2004) argued that resilient individuals are characterised by their positive emotionality because they strategically elicit positive emotions to use in challenging or stressful contexts, which make them more productive. This is supported by Ononye et al. (2022), who reported that academic resilience was positively related to emotional intelligence, academic resilience emotional intelligence was positively related to academic performance. Emotional resilience mediated the positive relationship between academic resilience academic performance, which might influence the extent to which students engage in academic activities (Ononye et al., 2022).

The second hypothesis's outcome revealed significant positive relationships among emotional intelligence, resilience, academic engagement. The positive relation between academic resilience, emotional intelligence academic engagement concurred with Zheng et al. (2020) that academic resilience has a predictive association with emotional intelligence in an academic context showed consistency with the findings of Olusoji et al. (2021) Sarwar et al. (2017), where resilience was conceptualised as a facet of psychological capital. The Correlation between academic resilience emotional intelligence indicated by Afzal et al. (2016) Da et al. (2021) was confirmed. Since successful regulation of emotional experiences is a critical aspect of academic resilience engagement, students with high academic resilience tend to strengthen emotional intelligence processes to demonstrate positive adaptation to challenging situations increase school engagement. Emotional intelligence benefits from the experiential nature of students' adaptive functioning in a challenging academic environment. It seems logical to argue that emotional intelligence may be one of the protective factors of academic resilience due to the overlapping emotional regulation process that results in adaptive emotions (Thomas and Zolkoski, 2020).

Academic resilience, emotional intelligence academic engagement positive relation found support from Bittmann (2021). Thus, resilience, emotional intelligence engagement positively affects academic success. It is also in tem with the general expectations of Thomas Zolkoski (2020), Slatten et al. (2021), Suleman et al. (2019) that academic resilience is an inner strength or resource a student should possess capitalise on for better AP. Arguably, the cognitive state of students co-occurring emotions would not be compromised to negate AP because of the protective factors (e.g., emotion regulation, personal

strength, social competence, social support quality) impeding the negative impact of stressful educational contexts.

5. CONCLUSION IMPLICATIONS

The present study's results have some implications for students, educators' stakeholders. Since academic stress is negatively related to academic engagement, it implies that institutional policies structures should be designed to cushion the negative effect of stress on learning. When this is in place, the students' stress levels will be reduced, making them more engaged with academics. This is important since cognitive evaluation theory Deci Ryan (1985) have also proposed that environments impact the development of intrinsic motivation. More so, more attention should be paid to recreation, since this enables the students to recuperate from stress, a good measure of it will most likely enhance their chances of focusing on academics.

Preventive strategies could enhance undergraduates' emotional intelligence resilience when a stressful situation arises at school. For instance, helping students to acquire emotional intelligence competencies (e.g., perception, appraisal expression of emotion, emotional facilitation of thinking, understanding analysing emotion employing emotional knowledge) may have a buffering effect on the undergraduates' academic stress.

The results also indicated that resilience is positively related to academic engagement; this also has implications because resilience is the ability to withstand adversity bounce back from complex life events. Being resilient does not mean that people do not experience stress, emotional upheaval, suffering. Some people equate resilience with mental toughness, but demonstrating resilience includes working through emotional pain suffering. This, in turn, will help an individual organise execute the course of action required to attain predetermined types of academic engagement is also concerned with estimating what one can attain with the skills one currently possesses. Thus, students should be encouraged to develop cultivate a resilient attitude. This is important because it could serve as a buffer that may keep the students going despite their experience of academic stress.

In order to improve learning engagement, guidance should be provided for students to increase their emotional intelligence, which includes the ability of students to recognise manage their own emotions themselves, recognise the emotions of others build relationships. Its relevance to learning engagement is that students who enjoy the climate of the classroom atmosphere can solve their emotional problems before starting learning. It will serve as excellent internal

motivation, can socialise well in class, tend to have better learning engagement than those who do not.

6. RECOMMENDATIONS

The following recommendations are presented based on the findings of this study.

- ❖ The efficacy of the three predictor variables is a pointer to the fact that undergraduates' academic engagement could be enhanced if the university management the teachers properly understand them. This will not only enhance undergraduates' academic engagement but could also foster coping skills motivation to learn or study.
- ❖ Understanding how academic stress, emotional intelligence resilience influence undergraduates' academic engagement can help the university authority to provide the best quality services for the students. Practising counsellors should take every opportunity to utilise as many strength-based approaches as possible when working with students seeking professional help.
- ❖ Given the potency of emotional intelligence in this study, it is recommended that emotional intelligence study should be incorporated into the curriculum of the schools across the federation. In this regard, competent psychologists should be involved in the review of the curriculum for education in Nigeria.
- ❖ It is equally recommended that educational needs in Nigeria should be comprehensively reviewed to meet the citizens' demands. Training programmes should improve the student's academic engagement in Nigeria.

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Painful Ambivalence: Marxist Feminist analysis of Moral Anxiety Gendered Class Consciousness in “The Garden Party”

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Abstract

Through the utilization of Marxist feminist literary theory, the current article analyzes Catherine Mansfield's "The Garden Party" to examine the interconnected themes of class consciousness, gender, social injustice. With a specific focus on the protagonist, Laura Sheridan, her gradually evolving awareness of class, the article examines the narrative's suburban New Zealand setting the social hierarchy between the affluent Sheridans their less fortunate neighbors. The luxurious garden party serves as a poignant reminder of the upper class's disconnection from society and their condescending attitudes towards individuals of lower status. In addition to this, the article delves into gender and its effects on the characters' experiences expectations. Its objective is to gain an understanding of the social realities of the time through the theoretical lens of Marxist feminism to address the pressing concerns of that era. Specifically, the article examines how Laura's representation of class consciousness reflects the societal power dynamics of the time, how the intersection of gender class influences Laura's mixed feelings about the class system in her social environment, how "The Garden Party" demonstrates the impact of class gender on social hierarchy's power structures in the early twentieth century. The article draws attention to the pressing social concerns of the time and demonstrates how the theoretical lens of Marxist feminism can aid in understanding the social realities of the past.

Keywords: Class Consciousness, Gender, Marxist Feminism, Fiction, Short Story, Symbolism, Ambivalence, Social Context.

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1. INTRODUCTION

Catherine Mansfield's "The Garden Party" presents a meticulous exploration of complex interrelationships between class consciousness, gender,

and social injustice. The story delves into the various frequently conflicting ways in which these themes interact and have an impact on the lives of the characters. To acquire an in-depth analysis of how the story reflects the social realities of its era, this research article analyzes the story utilizing the theoretical framework of Marxist feminism (Eagleton, 2003; Hooks, 2000; Marx, 1999). The analytical focus is on the portrayal of class consciousness, gender, social injustice in the narrative, how these themes interconnect with each other reveal more significant societal issues. The investigation is particularly concentrated on Laura Sheridan, the protagonist of the story, and her experiences in dealing with her evolving class consciousness. This introductory section provides a summary of the plot the primary characters outline the utilization of Marxist feminist literary theory in the analysis. The purpose of this research is to enhance the understanding of the intersections of class, gender, social injustice in literature, and their reflection in society through the story's central character, Laura.

Catherine Mansfield's "The Garden Party" was initially published in 1922, it is set in a suburban area of New Zealand. The plot of the narrative is centered on the planning, hosting, and consequences of the Sheridan family's titular garden party. Laura Sheridan, the eldest daughter of the Sheridan family, is the protagonist, she is tasked with organizing the party. Symbolism is used to convey profound message's themes; the narrative is written in a realistic style that emphasizes the inner emotions thoughts of the characters. The story depicts the social hierarchy that exists between the wealthy Sheridans their less privileged neighbors who work for them (Bashir, Mir and Mehmood, 2019; Vieco, 2020). The luxurious nature of the garden party highlights the upper class's disconnection from the rest of society, serving as a representation of their insincerity shallowness. Furthermore, it demonstrates the privileges that the upper class enjoys as regards how they perceive those of lower status. Another significant theme explored in the narrative is gender and its impact on the characters' experiences expectations (Donovan, 2014). The story portrays Laura's struggle to balance her desire to participate in the party, societal gender norms, her evolving awareness of her neighbors' misfortune tragic end.

The objective of analyzing the themes of class consciousness, gender, social injustice in "The Garden Party" is to understand the social realities of the time through the theoretical lens of Marxist feminism. Marxist feminist literary theory is a multifaceted method that integrates the critical principles of feminist theory Marxist theory, which respectively examine the gendered dimensions of social interactions the economic political systems that constitute society (Barrett, 2014). The application of this theoretical framework is instrumental in

deconstructing the intricacies of power oppression that permeate the narrative of "The Garden Party" provides an in-depth insight into the complex interplay of class consciousness, gender, social injustice. Furthermore, this approach elucidates the broader societal problems that are reflected in the story, thereby shedding light on the pressing concerns of the time (Ferguson, 2016). By examining the narrative through this theoretical framework, the connections between these themes and their reflections on more significant societal problems will be illuminated. Ultimately, this research contributes to the understanding of the intersections of class, gender, social injustice in literature and their impact on society. Specifically, this research article aims to address the following research questions, which are critical to understanding the text's theoretical socio-cultural significance:

1. How does Laura's representation of class consciousness in "The Garden Party" reflect the societal power dynamics of the time?
2. How does the intersection of gender class shape Laura's ambivalence towards the class system in her social context?
3. In what ways does "The Garden Party" illustrate the impact of class gender on social hierarchy's power structures in the early twentieth century?

2. LITERATURE REVIEW

Catherine Mansfield is regarded as one of the most important short story writers of the 20th century. Several literary elements, including modernism, symbolism, gender, have been extensively studied and analyzed in research studies of her work. Her use of the stream-of-consciousness technique, which allows for a thorough understanding of the characters' thoughts emotions, has been the focus of a great deal of research on her literary production. Through this modernist technique, Mansfield explores the inner lives of her characters. This unique method of writing, often characterized by its fragmented disjointed nature, serves to capture the raw unrefined inner thoughts of the protagonist, exposing their deepest desires, fears, memories. It's a technique that adds a whole new level of depth to Mansfield's stories, allowing readers to immerse themselves in her characters' consciousness, experiencing their thoughts emotions in real time. Kaplan (2019), for instance, investigates the connection between Mansfield's contribution to modernist literature her challenges as a female author during the period of modernist experimentation with literary techniques including stream-of-consciousness.

According to Kaplan, the use of stream of consciousness in Mansfield's fiction is an enigmatic perplexing one, blurring the lines between objective reality subjective perception, pushing the boundaries of conventional storytelling. Her use of this narrative style technique offers a distinctive insight into the characters' inner turmoil, the quest for inner peace.

Another recurring theme in the works of Mansfield focuses on the female gender its socio-cultural realization in the early 20th century. Her characters, often women, are at the mercy of a patriarchal society that denies them the opportunity to be their true selves, instead forcing them into prescribed gender roles. Mansfield's use of free indirect discourse, shifting perspectives, stream of consciousness allows her to delve deep into the experiences of her female characters, exposing the inner turmoil struggles they face as they navigate the complexities of gender social norms.

Vieco (2020) argues that Mansfield's portrayal of women in her stories challenges traditional gender roles emphasizes the struggles of women in the predominantly patriarchal society of the late nineteenth early twentieth century. Characters like Laura Sheridan critique challenge social expectations around feminine gender the character's struggle to come to terms with societal norms around gender power relations. Vieco further argues that social conventions, class consciousness, the prevalent archetype of domestic femininity that dates to Victorian times indoctrinate bourgeois women like Laura Sheridan, forcing them into specific schematic gendered roles. According to Khan et al., (2022), her writing style captures the fragmented, disjointed nature of this experience, reflecting the confusion uncertainty faced by her characters as they try to reconcile their true human selves with the expectations placed upon them. With her signature style and a sharp eye for detail, Mansfield's works remain a poignant exploration of gender societal norms, offering a nuanced perplexing glimpse into the complexities of human experience.

The use of symbolism in the fictional writings of Katherine Mansfield serves multiple functions highlighting various themes in her work. Mansfield was a master of the subtle, but powerful, use of symbolism, her works are replete with complex intricate symbols that add layers of meaning to her stories. In her novels short stories, symbols serve to reinforce themes, such as the theme of gender social norms, which is a recurring theme in her work. For example, in "The Garden Party," the garden party itself can be seen as a symbol of the superficial emptiness of the upper-class lifestyle, as well as a symbol of the disconnection between the privileged and the working class (Trotter, 2013). Symbols also serve to enhance the emotional impact of Mansfield's stories, adding depth nuance to the experiences of her characters. For instance, in "Miss

Brill," the fur stole that Miss Brill wears is a symbol of her loneliness longing for connection, its gradual transformation throughout the story serves to reinforce the central theme of isolation disconnection (Pracha, 2016).

In addition, symbols serve to illustrate the central conflict of Mansfield's stories, often highlighting the tension between societal norms and individual desires. For example, in "The Fly," the fly that the narrator encounters in his office can be seen as a symbol of the fleetingness of life, the futility of his work, the crushing weight of societal expectations. With symbolism, Mansfield illuminates the psychological emotional struggles of her characters and gives voice to the complexities of human experience (Drewery, 2011). The use of symbolism in Katherine Mansfield's fictional writings is an integral part of her artistic vision, serving multiple functions adding layers of meaning to her stories. Through her intricate subtle use of symbols, Mansfield enhances the emotional impact of her stories, highlights central themes, conflicts, gives voice to marginalized characters in society.

Several researchers have used a Marxist perspective to analyze Catherine Mansfield's literary works, concentrating on how capitalist social structures shape the lives of the characters how they navigate resist these restraints (Ahmad, 2019; Bashir et al., 2019; Kiziltaş, 2014; Kuch, 2021). These analyses offer points of view about the historical social issues and the more universal societal issues that the stories reflect. These interpretations of Mansfield's writings emphasize how oppressive social structures thwart people's aspirations for freedom autonomy. According to Kuch (2021), the works of Catherine Mansfield as interpreted by Marxists demonstrate how individuals can still confront oppressive structures protest injustice. Mansfield's characters, often women, face a range of issues related to gender, including restrictions on their education career choices, unequal treatment in personal relationships, societal expectations of appearance, behavior, motherhood. Through these characters, Mansfield highlights how gender norms limit women's self-expression hinder their personal growth development (Kiziltaş, 2014).

When Mansfield's works are analyzed through the lens of Marxist feminist literary theory, it becomes evident that the intersections of class, gender, economic systems play a significant role in shaping women's experiences. This critical framework allows for a deeper understanding of how Mansfield's works challenge the values of capitalism patriarchal power structures reflecting the class struggle power dynamics between the upper lower classes. Moreover, the Marxist perspective provides a useful tool for

examining how Mansfield's works depict the exploitation of women how gender class inequalities reinforce each other through intersecting power dynamics oppressive social norms. For example, Kaplan's (2019) analysis of Mansfield's "The Garden Party" and other stories explores the impact of characters' class consciousness on their perceptions of the world and their interactions with others. This analysis illuminates how the characters' class consciousness serves as a barrier that prevents them from recognizing the consequences of their actions and understanding the realities of the working class. As a result, the story exposes the hollowness superficiality of the upper class and highlights the vast disparities in wealth privilege that exist between the different social classes. Through Marxist feminist literary theory, we gain a better understanding of the societal power dynamics that shape the lives of the characters in Mansfield's works how these dynamics reflect broader societal issues.

3. METHODOLOGY

The present article uses close textual reading as an analytical method, which involves meticulously examining interpreting a literary work by closely scrutinizing its language structure to uncover underlying themes meanings (Smith, 2016). This method is widely used in literary research involves reading the text multiple times, identifying pattern's themes within the text, establishing connections between various passages while also examining how particular words, phrases, symbols are used (Federico, 2015). Incorporating knowledge of the text's cultural historical context, the researcher develops a thesis or argument based on their analysis supported by evidence from the text their own interpretation. Finally, the researcher uses this justification or thesis to draw conclusions from the text to establish connections to broader literary, cultural, or historical contexts. This method provides a detailed exploration of the text's nuances complexities, offering a more comprehensive understanding of the literary work (Culler, 2010).

The current article employs Marxist feminism as a theoretical framework to analyze character themes concerning gender class. Marxist feminist theory is a critical approach that combines the tenets of Marxism, which emphasizes how economic material conditions shape social relations (Marx, 1999; Marx, Engels, and Stedman, 2002), with feminism, which examines how gender influences these relations (Donovan, 2014; Holmstrom, 2002). This approach critiques literary works from the perspective of how they reinforce or challenge patriarchal structures of power how they represent the experiences of women other marginalized groups concerning class economic

systems. Furthermore, it examines how literature can function as a means of social change and how literary texts can reflect critique capitalist societies (Eagleton, 2003). The Marxist feminist literary approach argues that patriarchal structures of power are deeply embedded in capitalist societies that literature can both reflect reinforce these structures. This view regards literary texts not merely as artistic creations but also as social historical documents that can reveal how these structures have shaped continue to shape the experiences of women other marginalized groups (Hooks, 2000).

Utilizing Marxist literary theory to analyze Katherine Mansfield's "The Garden Party" offers several advantages. First, it allows for an examination of how class economic systems affect the characters within the story. As the story takes place in an affluent household, the characters' class status significantly influences their lives behavior. Second, Marxist literary theory uncovers the story's reflection reinforcement of capitalist values ideologies, including the characters' materialistic focus, lack of empathy for the working class, self-absorption. These principles are representative of capitalist individualism consumerism (Marx, 1999). Third, the theory provides a critique of the story's reinforcement of patriarchal power structures. For example, the character Laura is constrained by traditional gender roles societal expectations of femininity pressured to prioritize others' needs over her own discouraged from challenging the status quo. Finally, Marxist literary theory highlights the story's portrayal of the class struggle the divide between the wealthy the working class, demonstrated through the contrast between the rich characters' luxurious lives the poverty hardships faced by the working-class community.

The focus of the current article is on the protagonist, Laura, who embodies traditional Victorian femininity and its associated power dynamics, while also exploring the effects of economic class distinctions on individuals within society. Laura's ambivalence toward the gender class systems in the story highlights the intricate relationship between identity, social status, individual choice in a conservative social context. By analyzing the story through Marxist literary theory, the article aims to reveal how class, gender, economic systems intersect shape women's experiences, challenging patriarchal power structures capitalist values. Ultimately, this approach emphasizes the importance of understanding how social structures of class, race, gender intersect shape literary representation its potential role as a tool for social change.

4. FINDINGS AND DISCUSSION

In "The Garden Party" by Catherine Mansfield, the character of Laura undergoes a significant transformation as she develops a heightened sense of class consciousness, a concomitant awakening of her sexuality. Laura serves as a symbol of the conflict's contradictions arising from the intersections of class, gender, social injustice. She is a complex dynamic character who struggles with her role as a gendered member of the upper-class Sheridan family. Throughout the story, she is presented as a young woman who is torn between her desire to be a part of the privileged world of her family her growing sense of discomfort with the superficiality emptiness of their lifestyle.

One of the key elements of Laura's character is her ambivalence towards the societal norms and class distinctions that shape her life. On one h, she is deeply invested in the traditional expectations of her family social class and is eager to participate in the gr garden party that is the centerpiece of the story. On the other h, she is deeply troubled by the social economic inequality that she sees around her and is increasingly uncomfortable with the superficiality of the world she inhabits. Laura, as a member of the upper-class Sheridan family, is seen attempting to mimic her mother's voice mannerisms while talking to a member of the lower class but feels ashamed for doing so: "“Good morning," she said, copying her mother's voice. But that sounded so fearfully affected that she was ashamed, stammered like a little girl, "Oh—er—have you come—is it about the marquee?"” (Mansfield, 2006, p. 251, all subsequent citations refer to this edition of "The Garden Party"). The fact that she stammers like a little girl further emphasizes her discomfort and lack of confidence in her own class identity. The way she speaks to the working men who have come to set up the marquee for the garden party in this affected manner highlights the power dynamics at play. As a member of the upper class, Laura holds a certain level of authority privilege over the working men, this is reflected in the way she speaks to them. This also serves to reinforce the class distinctions present in the society depicted in the story.

Additionally, the use of "copying her mother's voice" implies that Laura is still a young woman not fully formed in her class identity. This also implies that she is still trying to internalize societal norms expectations placed on women of her class, further emphasizing the gendered aspect of her class identity. This ambivalence is further complicated by Laura's gender, as she is repeatedly shown to be caught between the traditional expectations of femininity and the expectations of her class. For example, when she is first introduced in the story, she is described as "busy" "fluttering" as she helps her mother prepare for the party, a characterization that reinforces traditional

gender roles. However, as the story progresses, she begins to question these expectations and becomes increasingly assertive in her desire to understand the lives of those outside of her class.

Although Laura is initially uncomfortable nervous when she meets the working men who have come to set up the marquee for the garden party, as she becomes more relaxed friendly, she begins to see the working men as friendly kind, in contrast to her own privileged background. This is highlighted by her observation of the workmen's smiles, which she interprets as "cheerful" "friendly":

His smile was so easy, so friendly that Laura recovered. What nice eyes he had, small, but such a dark blue! Now she looked at the others, they were smiling too. "Cheer up, we won't bite," their smile seemed to say. How very nice the workmen were! (p. 251)

The narrative voice in the passage aligns with the perception of Laura who finds the working class as kind friendly people, the way Laura is looking at them through the lens of her upper-class privilege. This passage suggests that when people from different class backgrounds meet, they can have a different perspective of each other, but it also implies that class distinctions societal expectations are still present affect their interactions. As her interactions with the working men challenge her preconceptions make her question the societal structures that separate people based on their class gender, Laura begins to see them as more human relatable, noticing small details such as the tall man's enjoyment of the smell of lavender.

Laura's musings about wanting to have workmen as friends instead of the "silly boys" she typically socializes with highlight the societal expectations placed on her as a gendered member of the upper class: "Oh, how extraordinarily nice workmen were, she thought. Why couldn't she have workmen for her friends rather than the silly boys she danced with who came to Sunday night supper?" (p. 252). The expectation for her to only associate with those of a similar social class status is reinforced, she is not encouraged to form genuine connections with those of different class backgrounds. The passage also highlights the difference in lifestyle access to luxuries between the working class the upper class, as evident by the fact that the working men have time to appreciate the smell of lavender while Laura is busy with preparations for the garden party.

Laura's growing class consciousness is also linked to her awakening sexuality, as she begins to challenge the restrictive gender roles expectations imposed on her by society. Throughout the story, Laura experiences a

transformation as she grapples with her sexual desires the societal anticipations placed upon her as a young woman. The story reflects the tensions complexities of adolescence and how societal norms shape constrain individuals' experiences of sexuality. Mansfield portrays the nuances of Laura's journey, highlighting the tensions between individual desire societal constraints, as well as the interplay between class consciousness sexuality. Through Laura's transformation, the story sheds light on the experiences of young women navigating the complexities of sexuality class in early 20th-century society. The narrative portrays Laura's growing sexual awareness which can be seen symbolically in the vivid description of pink canna lilies her highly sensuous response to the flowers:

Nothing but lilies—canna lilies, big pink flowers, wide open, radiant, almost frighteningly alive on bright crimson stems. "O-oh, Sadie!" said Laura, the sound was like a little moan. She crouched down as if to warm herself at that blaze of lilies; she felt they were in her fingers, on her lips, growing in her breast. (p. 253)

This description of the lilies symbolizes Laura's budding adolescent sexual consciousness as concomitant with her growing class consciousness. The lilies, with their big pink flowers that are wide open radiant, represent the emergence of Laura's sexuality. Pink is often associated with femininity the blooming of the flowers can be seen as a metaphor for her sexual awakening. The phrase "almost frighteningly alive" suggests that Laura is both excited and scared by these new feelings. The action of her crouching down as if to "warm herself" at the flowers growing in her breast further emphasizes the idea that she is experiencing a new, powerful sensation. The lilies can also be seen as a symbol of the power of nature the cyclical nature of life, death, rebirth which is also related to Laura's awakening as she attempts to reconcile her affluent upper-class life with misery, poverty, death around their house.

Laura's sister Jose is preoccupied with the planned execution of the titular garden party, which serves as a symbol of the superficial emptiness of the upper class. She is also portrayed as being dismissive of the working-class neighbors in their struggles, exemplifying the disconnection lack of empathy that often arises from a privilege. Her character serves as a foil to the protagonist Laura, whose moral qualms about the party its disregard for the death of a neighbor contrast with her sister's single-minded focus on the event:

Oh, Laura!" Jose began to be seriously annoyed. "If you're going to stop a b playing every time someone has an accident, you'll lead a very strenuous life. I'm every bit as sorry about it as you. I feel just as sympathetic." Her eyes hardened. She looked at her sister just as she

used to when they were little fighting together. "You won't bring a drunken workman back to life by being sentimental," she said softly. "Drunk! Who said he was drunk?" Laura turned furiously to Jose. She said, just as they had used to say on those occasions, "I'm going straight up to tell mother. (p. 258)

Jose's reaction to Laura's suggestion to stop the garden party due to the death of a poor working man in the neighborhood illustrates the disregard lack of empathy the upper class holds towards the working class. She dismisses Laura's concern calls her "extravagant" for suggesting canceling the garden party, showing how she views the life of a working-class person as insignificant. She also refers to the deceased man as "drunk," which is a stereotype often used to dehumanize demonize the working class. Jose's dismissive attitude assumption that the man was drunk reflects the upper class's tendency to stereotype dehumanize the working class. On the contrary, Laura's empathy, willingness to put the needs of the working class before her own pleasure is a challenge to this attitude the class distinctions it reinforces. This interaction also highlights the gendered dynamics at play, as Laura is portrayed as being more sensitive empathetic than her sister, which reflects societal expectations of women to be more nurturing caring. Further, the use of the phrase "I'm going straight up to tell mother" also highlights the power dynamics within the family the patriarchal nature of the upper class. Laura, as a woman, is not given any agency in decision-making, she must resort to telling her mother to have her voice heard.

On the other hand, Laura's reaction shows her awareness of class distinctions their injustice. She recognizes the insensitivity of the upper class, their disregard for the lives of working-class people. Her attempt to stop the party her anger towards Jose's dismissive attitude towards the death of the working man shows her solidarity with the working class her rejection of class distinctions. This serves to highlight the internalized class distinctions societal norms that Laura is struggling to come to terms with. As she grapples with the class-based realities of her life, Laura fails to see any female gender role model for herself that she could identify with reassure herself about the justification of her feelings towards members of the lower classes.

As another foil character to Laura, her mother Mrs. Sheridan is depicted as being highly concerned with the details of the garden party, including the invitations, decorations, food. She is also shown to be deeply invested in maintaining the appearance of propriety respectability, as seen in her insistence that the party goes ahead despite a death in their immediate

neighborhood. Mrs. Sheridan asserts her position as a member of the upper class when her daughter Laura expresses discomfort about the party the neighbors' death. Laura's mother, like her sister Jose, is dismissive of Laura's concerns about the poor man who has died instead focuses on the importance of maintaining the garden party, which serves as a symbol of the family's wealth status:

To Laura's astonishment, her mother behaved just like Jose; it was harder to bear because she seemed amused. She refused to take Laura seriously. "But, my dear child, use your common sense. It's only by accident we've heard of it. If someone had died there normally—I can't understand how they keep alive in those poky little holes—we should still be having our party, shouldn't we?" Laura had to say "yes" to that, but she felt it was all wrong. (p. 258)

Laura finds her mother's response even more unbearable than that of Jose because she treats her concerns about the death of a neighbor as the musing of an innocent child. Laura is denied a voice in the family as she dominates her opinions. Mrs. Sheridan symbolizes the superficiality of the upper class, their detachment from the reality of life. She is portrayed as someone who is primarily concerned with maintaining the appearance of propriety respectability, rather than truly understanding empathizing with the struggle's difficulties of those outside her social class. The mother's comment about how she "can't understand how they keep alive in those poky little holes" further reinforces the idea that the upper class is detached from the reality of the poor their struggles. This detachment allows them to continue with their luxurious lifestyles without feeling remorse or any sense of responsibility towards the less fortunate. The mother's comment also reinforces a capitalist idea that the poor are responsible for their own conditions, it is not the responsibility of the upper class to help them. This highlights how the capitalist system perpetuates the oppression of the working class by the ruling class, how the ruling class is often unable to see the reality of the lives of those beneath them because they are so entrenched in their privilege.

Mrs. Sheridan's response to her daughter's objection to holding a party when their neighbor has died is to put the expensive hat on her head reinforce her position as a member of an upper-class family: "Darling!" Mrs. Sheridan got up and came over to her, carrying the hat. Before Laura could stop her, she had popped it on" (p. 255). This highlights how class distinctions are reinforced through material possessions, specifically Laura's hat. The hat is described as "sweet" and is associated with a specific day, indicating that it is a fashionable expensive item. Later in the story, the mother specifically asks for this hat to be

worn by Laura at their garden party: "Mrs. Sheridan's voice floated down the stairs. "Tell her to wear that sweet hat she had last Sunday" (p. 254). The fact that Mrs. Sheridan specifically requests Laura to wear the hat at the garden party suggests that it is a symbol of Sheridan's wealth status that they want to flaunt it to the guests. The hat also symbolizes the societal pressure on Laura to conform to upper-class expectations reinforces the idea that material possessions are a means of reinforcing class distinctions.

The mother's emphasis on the importance of appearance, as demonstrated by her insistence that Laura wears a "sweet hat" her comment about the hat being "made for you," further reinforces the idea that upper-class women are valued for their aesthetic appeal rather than for their moral character. Additionally, the fact that Laura's mother is the one dictating what she should wear further emphasizes how gender class intersects, as Laura is expected to conform to societal expectations of upper-class femininity. The use of the word "sweet" to describe the hat also implies a certain infantilization objectification of Laura, as well as a focus on her appearance over her individual identity.

Later in the narrative, feeling her expensive black hat is out of place at the poor house of the dead man, Laura feels apologetic about the contrast between her opulent life the poverty of the Scotts. She could only say: "Forgive my hat" (p. 259). The fact that Laura feels the need to apologize for her appearance at this moment, that the hat is described as a source of shame, highlights the societal expectation that women from privileged backgrounds should not flaunt their wealth privilege, but rather should be modest humble. Further, Laura's encounter with the death of the poor Scott, who seems to be sleeping peacefully, highlights the contrast between the extravagance of the garden party the harsh reality of poverty, death, class differences. It also highlights Laura's consciousness of her privilege her ambivalence towards it, her guilt, her realization that there is a bigger picture than just the garden party the class distinctions:

There lay a young man, fast asleep sleeping so soundly, so deeply, that he was far, far away from them both. Oh, so remote, so peaceful. He was dreaming. His head was sunk into the pillow... He had given up on his dream. What did garden parties' baskets lace frocks matter to him? He was far from all those things. He was wonderful, beautiful. (p. 260)

Laura encounters the dead body of a poor Scotts man is struck by the contrast between the lavishness of her own life the poverty of the man's. The

imagery used to describe the dead man, such as his peaceful sleep remote beauty, highlights the disconnect between the lives of the wealthy the lives of the poor. The passage also suggests that while the wealthy are occupied with trivialities such as garden parties, the poor are facing a reality that is far removed from such concerns.

Laura experiences a profound sense of emotion discomfort after she encounters the dead body of the man leaves Scott's house. This encounter serves as a turning point in her development, as she is forced to confront the stark realities of life death, the deep divide between the upper lower classes. The experience is both unsettling and transformative, as Laura is suddenly confronted with a harsh reality that is at odds with her privileged upbringing. This encounter causes her to question her own values, beliefs, her place in the world. She is overwhelmed by a sense of sadness, confusion, emptiness as she grapples with these new emotion's experiences. As she encounters her brother after she rushes out of the Scotts' house, Laura feels speechless to describe make sense of her experience inside the house:

Laurie put his arm around her shoulder. "Don't cry," he said in his warm, loving voice. "Was it awful?" "No," sobbed Laura. "It was simply marvelous. But Laurie—" She stopped, she looked at her brother. "Isn't life," she stammered, "isn't life—" But what life was she couldn't explain. No matter. He quite understood. "Isn't it, darling?" said Laurie. (p. 261)

Her statement "Isn't life, isn't life-" is an expression of her confusion realization of the inequality injustice in the society she lives in. Her brother, who is also from a privileged background, acknowledges her confusion but doesn't fully understand it himself, which further highlights the disconnection lack of empathy of the upper class towards the working class. This encounter with the poor Scotts' man's death the contrast with her privilege has shaken Laura's understanding of the world she is trying to find ways to reconcile her privilege with the suffering of others.

5. CONCLUSION

The above analysis shows that Katherine Mansfield's literary art challenges social, ideological, gender-based schematic structures in her contemporary society. However, she abstains from providing a clear resolution or conclusion to the events themes presented in the story, leaving the ending open for interpretation. The ending thus raises many questions but leaves interpretations up to the reader. This is achieved using subtle hints, ambiguity, and the presentation of multiple perspectives. The story raises many questions

about class, gender, social injustice, but it does not offer clear answers. Instead, it invites the reader to contemplate the complexities of these issues and their impact on the character's society. This open-ended nature of the story contributes to its enduring appeal relevance, as it encourages the reader to draw conclusions and think critically about the themes presented. It also allows for multiple interpretations that make the story relevant to different readers cultures as they interpret it according to their contextual realities around gender, class, socio-economic divide, individual feelings emotions.

Barrett's (2014) argument regarding early twentieth-century English fiction highlights the trend toward plotless open-ended narratives that were influenced by writers such as Anton Chekhov. This form of storytelling challenged traditional narrative structures and provided a more complex portrayal of social issues. D'hoker Eggermont (2015) also emphasized the importance of the open-ended story form in late nineteenth early twentieth-century fiction as it allowed for a nuanced exploration of class gender ideologies. By denying straightforward plot structures closure of narratives, authors were able to explore the complexities of social issues present them in a more realistic thought-provoking manner. This approach provided a fresh perspective on social issues, which were often ignored or marginalized in earlier literary works. In this way, the open-ended narrative form served as an important tool for addressing social injustices promoting critical thinking about societal norms values.

Analysis of the current article also shows that the character of Laura Sheridan in "The Garden Party" serves as a representation of the struggle to reconcile privilege with reality, the internalization of societal norms class distinctions. Laura is a member of a well-to-do upper-class family. Throughout the story, Laura is a dutiful daughter who is eager to please her family to uphold their societal status. However, as the story progresses, it becomes evident that Laura is struggling to reconcile her privileged upbringing with the reality of the world around her. As the eldest daughter, she is tasked with helping her mother plan to organize the garden party, an event that is designed to showcase the family's wealth status. Laura is fully invested in the party, her mother's approval is important to her, yet she is also aware of the superficiality of the event, the disconnect between the upper-class lifestyle of her family and the poverty of their neighbors.

Laura's struggles to internalize class distinctions societal norms form the central tension of the story. Through her journey, Mansfield presents a nuanced critical examination of how gender, class, societal norms shape our experiences interactions, how these forces can lead to feelings of isolation disconnection. As Kaya (2011) notes in her analysis of gender roles in

Mansfield's fiction, the female characters in the story are subject to the same class distinctions as the male characters, but they are also subject to gendered expectations limitations. This exploration of gender-based stereotyping continues in contemporary western postcolonial fictional production (Khan et al., 2020). Kaya suggests that Laura's position as the eldest daughter and her involvement in planning the garden party reflect her mother's expectation that she will assume a domestic role in the family. This tension is only heightened when she encounters the dead body of the poor Scotts man, further emphasizing the class distinction disparity in society. Through Laura's character, Mansfield offers a critical examination of how societal norms, class, gender shape our experiences interactions.

Further research could delve into the wider societal context of the story, specifically exploring the historical background cultural norms surrounding class distinction gender expectations in early 20th-century New Zeal, where the story is set. An examination of Mansfield's writing style themes could also be a valuable area of study, as well as a comparative analysis with other works of literature from the same period that deal with similar themes. Additionally, an investigation into Marxist feminist literary theory its application to the study of works of fiction could deepen the understanding of the analysis presented in the current article by focusing on reclaiming agency for women in a patriarchal social setting (Khan et al., 2021). Moreover, it would be interesting to examine the impact of colonialism imperialism on the development of class consciousness in the New Zeal context of the story to explore the representation of indigenous peoples in works of literature from the same period.

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Celebrity-Persona its Effects on Self-Esteem Life Satisfaction

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Abstract

The study was conducted to examine Celebrity-Persona and its Effects on Self-Esteem Life Satisfaction among university students. Convenience sampling technique was used to collect the data. The sample consisted of 416 individuals, who were investing more than 5 hours a day on fictional content like novels, movies, dramas, professional stars (e.g., singers, athletes, actors); 239 male participants 177 female participants. Satisfaction with Life Scale (Diener, Emmons, Larsen, and Griffin, 1985), Celebrity-Persona Parasocial Interaction Scale (CPPI) (Bocarnea and Brown, 2007) Six-Item State Self Esteem Scale (Heartherton and Polivy, 1991) were used to measure life satisfaction celebrity persona parasocial interaction self-esteem respectively. Life satisfaction has significant positive correlation with celebrity persona parasocial interaction self-esteem. Parasocial interaction has a positive correlation with self-esteem. Excessive exposure to fiction content is negatively correlated with life satisfaction. Simple linear regression analysis showed excessive exposure to fiction content as a predictor of life satisfaction and self-esteem among university students. Celebrity persona parasocial interaction worked as a significant mediator in the relationship between excessive exposure to fiction content satisfaction with life among university students. Independent sample t-test showed that male students have higher life satisfaction than female students.

Keywords: Excessive Exposure, Fiction Content, Para social Interaction, Life Satisfaction
Self-esteem.

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1. INTRODUCTION

Nowadays, individuals who have interests in particular celebrities are commonly found. A celebrity is an individual who is known by many people for his/her popularity (Boorstin, 2012). Their popularity may derive from entertainment field, medicine, science, politics, sports, and so forth (McCutcheon, Lange, and Houran, 2002).

According to Santrock (2007), adolescence (10-22 years old) is a period when individuals start to have their favourite celebrity. Information gathered through media about the daily life of the artists, inside or outside the movies. This kind of information will make the fans feel updated and feel close to their idol. They would feel high self-esteem after imitating knowing news regarding their idols (Kusuma and Yuliawati, 2013). Self-esteem is an active component, cognitive evaluative not just a private matter or psychological, but also social interaction. Self-esteem is an attitude that is based on the perception of the value of a person (McCutcheon et al., 2004).

Self-esteem is a positive or negative attitude towards your own self or being aware of your thought's feelings (Rosenberg, 1965). According to the social comparison past research, heavier versus lighter viewers of TV makeover shows are expected to have lower self-esteem because heavier TV exposure has led to stronger internalization of the media's image of beauty provided more opportunities to engage in social comparisons (Frisby, 2004).

Baumeister, Campbell, Krueger Vohs (2003) suggested that people with high self-esteem people will be braver to speak out in groups comparable to low self-esteem people. Higher self-esteem has a stronger relation to happiness as they are more likable in groups. Low self-esteem people are more likely to be prone to depression under certain circumstances as they are unhappy with themselves. Hence, it is highly possible that low self-esteem increases the level of dissatisfaction with life.

Life satisfaction means to do enough. However, satisfaction with respect to life means to embrace your life circumstances and strive to fulfill your wants needs for your own life (Sousa and Lyubomirsky, 2001). Female college students' exposure to TV programs series can badly affect them as they try to achieve higher drive to become thin, slim as compared to the male respondents. Because these programs feature very thin, slim female main lead characters which affect all female respondents greatly. TV serials which feature heavy female main characters positively have indicated dissatisfaction among college students (Harrison and Cantor, 1997).

Parasocial interaction is defined as an imaginary one-sided connection with fictional characters that affects autonomy development identity formation in adolescence. Hierarchical parasocial relationships are linked to processes of identity formation as adolescents, hierarchical relationships, such as those adolescents often form with mentors, coaches, or other non-parental adults. In contrast, egalitarian parasocial relationships might be associated with autonomy development via an imagined affiliation with an attractive admirable media figure (Gleason, Theran, and Newberg, 2017).

According to social theory, human behavior is a process of exchange between people. The motive of this exchange is to lower the expenditure to achieve as much benefits as we can (Lawler, 2001). An individual's behavior in society is explained by the social exchange theory (Levine, Kim, and Ferrara, 2010). It also explains that humans from all over the world have similar nature. Social exchange theory analyzes interactions between two parties by examining the costs benefits to each. The key point of the theory is that it assumes the two parties are both receiving items of value from each other. Under this theory, interactions are only likely to continue if both parties feel they are coming out of the exchange with more than they are giving up—that is, if there is a positive amount of profit for both parties involved (Redmond, 2015).

2. GOAL OF THE STUDY

The fundamental reason for this proposal is to examine how the excessive exposure to fictional content leads to parasocial interaction that causes disturbance in life satisfaction self-esteem in young university age adults, the difference of extent to which they are affected with respect to gender.

Such exposure results in escapism which affects their real-world perceptions responsibilities. Consequently, young girls' boys build strong connections with their fantasies and start developing parasocial relationships with their fictional ideals. Living in an imaginative world negatively influences their self-esteem which ultimately makes them less satisfied with being ignorant of their own life (Gleason et al., 2017).

On the other h, the perfect lives mostly shown in fiction can negatively influence life satisfaction of young girls' boys lacking those privileges in their own lives. So, they try to bring change to their lives according to the standards set by their fictional ideals. When they think low of themselves as compared to the perfect lives of fictional characters, they feel inferior ultimately it`s an attack on their self-esteem.

Over the last 15 years, a pattern of research findings has linked excessive celebrity admiration with several psychologically unhealthy attitudes behaviours. Those who self-report excessive admiration for a favourite celebrity also exhibit irresponsible attitudes (McCutcheon et al., 2014), neuroticism its facets (Maltby et al., 2011), poor psychological well-being (Maltby et al., 2001), compulsive buying (Reeves et al., 2012), eating disorders in men (Aruguete, Griffith, Edman, Green and McCutcheon, 2014), poor body image in women (Maltby et al., 2005), a tendency to condone the stalking of celebrities (McCutcheon et al., 2016).

3. OBJECTIVES HYPOTHESES

Talking about the objectives of the research, it revolves around the examination of the effect of excessive exposure to fictional content on life satisfaction self-esteem among the university students, taking the gender into account as well, while considering the parasocial interaction as a mediator.

It was hypothesized that Excessive exposure to fictional content leads to low life satisfaction among university students. Excessive exposure to fictional content leads to low self-esteem among university students. ParaSocial interaction acts as a mediator in the relationship of excessive exposure to fictional content with life satisfaction self-esteem among university students. Females have low self-esteem less life satisfaction as compared to males who have excessive exposure to fictional content.

4. METHODS

4.1. Sample

A convenient sample of 239 male 177 female university students (N = 416), who were investing more than 5 hours a day on fictional content like novels, movies, dramas, professional stars (e.g., singers, athletes, actors); was taken from different universities of Islamabad Rawalpindi, with age range from 18 to 25 years (M= 21.75; SD = 1.09). The research sample did not include those youngsters who were not at all invested in any of the fictional content.

		f	%age
1	Novels	81	19.4
2	Movies	169	40.7
3	Dramas	116	27.8
4	Professional stars (singers, athletes, actors etc.)	50	12.1

4.2. Instrument

Satisfaction with Life Scale (SWLS). The scale was developed by Diener et al., (1985) to measure an individual's overall cognitive judgment with life satisfaction. The SWLS is simple scale with five short statements, such that each item is measured on a 7-point Likert-type scale ranges from strongly agree (1) to strongly disagree (7). The composite score ranges from 5 to 35, where higher scores represent higher levels of satisfaction. The scale has high test-retest reliability ($r = .82$) over a two-month period, a very strong internal consistency ($\alpha = .87$).

Celebrity-Persona Parasocial Interaction Scale (CPPI). The CPPI was developed by Bocarnea Brown (2007) consists of 20 items where each item is measured on a 5-point Likert-type scale, from strongly agree (1) to strongly disagree (5). Item No. 8, 18, 20 are reverse scored. However, the purpose of many parasocial interaction scales is to check out the firmness of parasocial relationships. This scale especially addresses the celebrities involving one kind of mediator that exists over repeated exposure to popular individuals. The reliability of this scale is sufficiently high, ranging from .80 to .90. The validity of the CPPI is good or effective to predict identification with famous celebrities. Factor analysis of the items yield single factor with generally high factor loadings with single factor solutions.

State Self-Esteem Scale (SSES). This scale was modified by Heartherton Policy (1991). The scale has 20 items has three subscales including, Social Self-Esteem Subscale (Items: 2, 8, 10, 13, 15, 17, 20), Appearance Self-Esteem Subscale (Items: 3, 6, 7, 11, 12, 16) Performance Self-Esteem Subscale (Items: 1, 4, 5, 9, 14, 18, 19) constituting a three-dimensional structure. All items are answered using a 5-point scale (1= not at all, 2= a little bit, 3= somewhat, 4= very much, 5= extremely). Items 2, 4, 5, 7, 8, 10, 13, 15, 16, 17, 18, 19, 20 are reverse scored. The scores of SSES revealed adequate test-retest reliability, Performance (.55), Social (.62), Appearance (.70), manifested convergent validity ($r = .83$) with related self-esteem measures. High scores indicate high self-esteem, low scores indicate low self-esteem.

4.3. Design

This research was designed as quantitative research convenience sampling technique was used to gather data. By using Statistical Package for

Social Sciences (SPSS version 21), descriptive inferential statistics of the data were analyzed. Psychometric properties (i.e., reliability coefficient of instruments) descriptive properties (i.e., means standard deviations) were calculated. Inferential statistics (i.e., correlation, regression analysis, t-test analysis) were used to measure correlation, regression, and mean differences.

The university students filled in the questionnaire after showing their consent. Questionnaires were given to the university students, who were investing more than 5 hours a day in fictional content like novels, movies, dramas, professional stars (e.g., singers, athletes, actors). They were told to answer honestly, sincerely with their true feelings. The research was conducted online as well as in person. The data analysis was conducted then the result was derived on the basis of the received responses. The responses were then encoded statistically evaluated by IBM SPSS-21.

5. RESULTS

Table 1 shows number of items (k) for each scale, internal consistency, mean, standard deviation, skewness kurtosis. Results revealed all scales had good reliability based on data that was normal in terms of skewness but had thin tails with a -.62 to .07 kurtosis range.

Table 1. Descriptive Statistics for SWLS, CPPI SSES

Scale	K	α	M(SD)	Range		Skewness	Kurtosis
				Min	Max		
SWLS	5	.78	22.78(6.57)	5	35	-.40	-.62
CPPI	20	.86	62.88(11.87)	32	99	-.19	.07
SSES	20	.79	68.09(11.19)	26	100	-.12	-.10

Note. SWLS = Satisfaction with Life Scale, CPPI = Celebrity-Persona Parasocial Interaction Scale, SSES = Six-Item State Self-Esteem Scale, k = number of items, α = Cronbach alpha.

Table 2 shows the correlation between study variables. Life satisfaction was positively significantly correlated with celebrity persona parasocial interactions ($r=.28$, $p< .01$) self-esteem ($r=.12$, $p< .01$). Celebrity persona parasocial interaction was positively correlated with self-esteem ($r=.05$). Excessive exposure to fictional content is negatively correlated with life satisfaction ($r=-.13^{**}$).

Table 3 shows that excessive exposure to fictional content negatively predicted life satisfaction ($\beta=-.13$, $p=.00$) accounted for 32 percent variance. The overall results revealed that excessive exposure to fictional content is significantly predicting life satisfaction among university students.

Table 3. Excessive Exposure to Fictional Content Predictor of Life Satisfaction among University Students

	B	SEB	B	T	P
EE	-.52	.19	-.13	2.76	.00
R	.57	-	-	-	-
R ²	.32	-	-	-	-
ΔF	39.64	-	-	-	.00

Note. EE = Excessive Exposure to Fictional Content.

Table 4 shows that excessive exposure to fictional content is not significantly predicting self-esteem ($\beta=-.00$, $p=.95$). Excessive exposure to fictional content accounted for 16% variance on self-esteem. The overall results revealed that excessive exposure to fictional content is not significantly predicting self-esteem among university students.

Table 4. Excessive Exposure to Fictional Content Predictor of Self-Esteem among University Students

	B	SEB	B	T	P
EE	-.02	.32	-.10	-.06	.95
R	.29	-	-	-	-
R ²	.16	-	-	-	-
ΔF	16.42	-	-	-	.00

Note. EE = Excessive Exposure to Fictional Content.

Table 5 shows the mediating effect of Celebrity Persona Parasocial Interaction in relationship between Excessive Exposure to Fictional Content Life Satisfaction among university students. In step 1, the R² value of .10 revealed that the excessive exposure to fictional content explained 10% variance in life satisfaction with $F(2, 413) = 7.63$, $P < 0.001$. In step 2, the R² value of .30 revealed that the excessive exposure to fictional content Parasocial interaction explained 30% variance in life satisfaction with $F(2, 413) = 22.89$, $p < 0.001$.

Table 5. Mediating effect of Celebrity Persona Parasocial Interaction in relationship between Excessive Exposure to Fictional Content Life Satisfaction

		R2	B	P	T	CI
1	Constant	.10	24.83	.00	30.72	[23.24, 26.42]
	EE		.52	.00	-2.76	[-.90, -.15]
2	Constant	.30	14.90	.00	8.28	[11.36, 18.43]
	EE		-.53	.00	-2.90	[-.88, -.17]
	CPPI		.15	.00	6.12	[.10, .20]

Note.EE = Excessive Exposure to Fictional Content, CPPI= Celebrity Persona Parasocial Interaction.

Table 6 shows the non-significant mediating effect of Celebrity Persona Parasocial Interaction in relationship between Excessive Exposure to Fictional Content self-esteem among university students.

Table 6. Mediating Effect of Celebrity Persona Parasocial Interaction in Relationship between Excessive Exposure to Fictional Content Self-Esteem

		R2	B	P	t	CI
1	Constant	.10	68.17	.00	49.06	[65.44, 70.90]
	EE		-.02	.95	.06	[-.66, .62]
2	Constant	.30	71.59	.00	22.21	[65.26, 77.93]
	EE		-.01	.95	.05	[-.66, .62]
	CPPI		-.05	.24	1.17	[-.14, .03]

Note.EE = Excessive Exposure to Fictional Content, CPPI= Celebrity Persona Parasocial Interaction

There is significant difference between male female university students on satisfaction with life. Male students have higher satisfaction than female students. Whereas there is non-significant difference between male female university students on Parasocial Interaction, Self-Esteem, Excessive Exposure to Fictional Content.

6. DISCUSSION AND CONCLUSION

In this research, university students, both males' females, have been taken to examine the differences of exposure to fictional content, life satisfaction, celebrity persona parasocial interaction self-esteem.

The first hypothesis is to investigate the negative relation between fictional content life satisfaction. Table 3 shows that excessive exposure to fictional content is negatively predicting life satisfaction. Excessive exposure to fictional content decreases the time spent with relational activities and promotes materialistic desires (Gui and Stanca, 2009). Most of females read romantic novels to get pleasure or to get an escape from the real world. Individuals who are in Parasocial romantic relationships have more chances to experience less life satisfaction. People make unrealistic expectations for relationships when these expectations are not met, they experience considerable dissatisfaction disappointment (Lippman et al., 2014).

In table 4, the value of β shows that it is non-significant exposure to fictional content has non-significant effect on self-esteem. Some extent research has examined whether exposure to Facebook affects self-esteem or not. The effect of Facebook use on self-esteem is mediated by social comparison processes (Forest and Wood, 2012). More specifically, during the involvement with fictional content we experience different social experiences like skills of empathy social understanding which does not affect self-esteem in any way (Mar et al., 2006).

Table 5 indicates the significant mediating effect of celebrity persona parasocial interaction, on the relationship of excessive exposure to fictional content life satisfaction. Evidence from literature suggests that Parasocial interaction can affect people's actual relationships, especially in those cases where these imaginary interactions are replaced by real life experiences. It is the major contributor to social isolation, anxiety in turn, lesser satisfaction with life. Such interactions can become unfulfilling over time and disturb a person's real-life interactions. Parasocial interaction negatively promotes social comparisons, affects a person's habits, causes depression, all these can lead to lower satisfaction (Appel, Crusius, and Gerlach, 2015). Researchers have also suggested that having Parasocial interaction with some celebrity can influence someone's political opinions, purchasing behavior, voting decisions, views regarding gender stereotypes beliefs in certain group of people too. Such changes in beliefs to the contradictory ones result in lowering one's life satisfaction (Vinney, 2022). Adult attachment impacts the way people engage with fictional stories, how they become so immersed in the stories that they end up making strong bonds with various characters. This happens probably because the fictional characters provide them with interpersonal intimacy without the fear of being rejected (Rain et. al., 2021).

The independent sample t-test analysis shows there is non-significant difference in utilizing fictional content among males' females. The results reveal that males score high in life satisfaction than females. In literature male characters are four times more romanticized than female characters. This is the main reason girls get attracted by fictional content that decreases their life satisfaction when it combines with cultural biases it becomes more prominent (Shaffi, 2022). So, gender differences in life satisfaction were found to be significant. As explained in research the reason is that females compare idealize more as compared to males. That is why we see females never satisfy for less be it a makeup wardrobe or anything (Burnham, 2020). When it comes to self-esteem males have higher than females. According to research more exposure makes them more tolerant resilient that helps them to cope with every type of problem with high hope courage. Exposure to fictional content negatively influences women that ultimately affect their self-esteem (Valkenburg and Peter, 2013).

7. LIMITATIONS AND SUGGESTIONS

Keeping in view the resources available to conduct this study, coupled with the fact that all studies, no matter how precisely carefully constructed, have limitations, this research is also severely limited in its findings results.

Some major limitations were the inability to properly sample the targeted audience and the limited access to the population that the researchers had.

Sample was selected according to the convenience, which is unlikely to represent whole population. Thus, it reduces the strength of generalizations from the sample to the population of interest.

Also, instead of using the already available standardized scales, in depth interviews can give the researchers more specific detailed responses.

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