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on Development of Research in
Social Sciences, Humanities,
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CONFERENCE CHAIR MESSAGE

Dr. Vincent

International Conference of Akademika Nusa Internasional Association of Social Sciences and Humanities} is a platform that thrives to support the worldwide scholarly community to analyze the role played by the multidisciplinary innovations for the betterment of human societies. It also encourages academicians, practitioners, scientists, and scholars from various disciplines to come together and share their ideas about how they can make all the disciplines interact in an innovative way and to sort out the way to minimize the effect of challenges faced by the society. All the research work presented in this conference is truly exceptional, promising, and effective. These researches are designed to target the challenges that are faced by various sub-domains of the social sciences and applied sciences.

I would like to thank our honorable scientific and review committee for giving their precious time to the review process covering the papers presented in this conference. I am also highly obliged to the participants for being a part of our efforts to promote knowledge sharing and learning. We as scholars make an integral part of the leading educated class of the society that is responsible for benefitting the society with their knowledge. Let's get over all sorts of discrimination and take a look at the wider picture. Let's work together for the welfare of humanity for making the world a harmonious place to live and making it flourish in every aspect. Stay blessed.

Thank you.

Dr. Vincent

Conference Chair

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Social Transformation in Philanthropic Institutions in Indonesia (Comparative Study at the Institute of Zakat Baznas, Rumah Zakat and Dompot Duafa)

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Abstract. Since its growth, philanthropic institutions especially the institution of zakat in Indonesia in the New Order era is a social institution that provides and distributes zakat (wealth) to communities requiring by Muzakki to Mustahiq. Cashing of zakat not just a matter of someone perform the fifth pillar of Islam, but more focused on virtue and humanity, but in its development in the postmodern era some of them became an international charity organizations so that some of them initiated a new breakthrough models “Fundraising”. This study used a qualitative method with a comparative approach that uses secondary data sources (literature) to three socially relevant research journal that the study of the Institute of Zakat House, Baznas and Dompot Duafa. In this study the author tries to elaborate on the approach of the three studies using the comparative analysis of capital assessment by Pierre Bourdieu Theory. The results of this study revealed that the three branches of philanthropy transformed by currents of modernity characterized by several institutions have in common in terms of culture and involvement but has a number of differences in the realm of figuration (network settings) and interdependence. It shows the influence of the network partnership sought to be reinforced by charity organizations in an effort to obtain capital funding sources to compile a number of economic activities, health, education scholarships to community empowerment.

Keywords— Social Transformation, Philanthropy, Zakat Institution

INTRODUCTION

Social transformations occurred in almost every line of human life is no exception to the character of social institutions both formal and informal. The author conducted a study of the literature on social transformation in philanthropic institutions (Zakat) in Indonesia and elaborating the results of the (secondary data) relevant to the study Irfan Syaui Beik entitled Study of Management Rumah Zakat from Bogor Agricultural University, Research belonged to Ali Nurdin entitled Dompot Dhuafa Social Change into human social institutions of UIN Sunan Kalijaga, and also belongs to Syaiful Bahri the title is Management of Transformation Baznas institution in Indonesia. Zakat is a treasure that must be removed if it has met the conditions set by the religion and distributed to those who have been determined as well, namely the eight groups are eligible to receive zakat, as stated in the Qur'an At-Tawbah letter paragraph 60.

In order to pay alms required of all Muslims who are able to meet the needs of daily life they deserve. For Muslims who are unable to meet the cost of living, they are not obliged to pay zakat, on the contrary, they should instead be given alms. Then the people who are eligible to receive zakat? Here are 8 groups of Muslims who are entitled to receive zakat including Fakir (people who do not own property), poor (those whose income is insufficient), Riqab (slave or slave), gharim (people who have a lot of debt), converts (people new to Islam), Fisabilillah (fighters in the way of Allah), Ibnu Sabil (Pilgrims and students overseas), Amil zakat (the committee and the recipient charity fund managers) (Irfan Syaui, 2015).

Then, during the Muslim community have awareness of zakat, donation, charity, and as long as it is managed properly it will always be a charity fund to be useful for the public welfare. Management of zakat funds were initially just using the concept of charity such as the construction of physical facilities worship, financing broadcasting and religious education such as mosques, schools, hospitals and dormitories parlors (Masudi, 1991 and Miftah 2005 in Malik, 2010) evolved into a program more productive and innovative by using empowerment strategies to be more effective in solving the problem of poverty. This is according to Sudewo (2012) at the start since the birth of Dhuafa Wallet in 1993, who became a pioneer manage zakat using the principles of modern organization and empowerment strategies on zakat management program manager Zakat until the enactment of Law 1999 which gave birth to BAZNAS in 2001. After the start born and developed various modern zakat management organizations that use empowerment strategies, such as zakat House (1998), PKPU (1999), DPU DT (1999) and the existence of these institutions has been strengthened after the enactment of Law of Zakat in year 1999.

SOCIAL TRANSFORMATION MAPPING

At the Institute Baznas Social structure consists of two divisions namely division and division executive committee under the auspices of the Ministry of Religious Affairs. It is where agriculture, trade and mining, the profession zakat, alms companies, zakat property investment, Islamic insurance zakat, alms currency trading and trying to be an international philanthropic institutions with a base of professional empowerment. In an effort to perform various tasks, it can be mapped some of the actors involved in the circles of government bureaucracy that holds full authority that is composed of the Ministry of Religious Scholars, Professional Leaders, Community Leaders. The ongoing process of cooperation also

generate dependencies between several actors called the Interdependence where Using Intermediaries Amil in connecting Muzakki and Mustahiq with a modern system that is with the media partnership of public and private institutions. Support various parties in the process of raising capital to show some indication of network mapping figuration Zakat Organization Baznas which operates with operating funds gained from the partnership with banks for the charity and infaq. So that raises a series of events which initiated the habitus Fund administrative and financial management as well as the distribution and utilization of zakat with needs analysis, portfolio segmentation, identification of the donor profile, positioning, Promotion, maintenance (Syaiful, 2015).

At Rumah Zakat institution social structure of institutions/ foundations began when selecting directors consisting of the Supervisory Board, Chairman of the Foundation and member. Rumah Zakat institution is more focused on the management (zakat) endowments professionally with emphasis on education, health, community development and empowerment culturally. In the process of development, some of the actors who take roles such as the Employee of the contract, the donors and community leaders. So it is not uncommon relationships between the characters are (interdependence) are characterized by priority Institutions that divides the segment donors into two types, namely donors retail (individual) donors and corporate (company) or a model of cooperation corporate But not long hose development of this institution to add value of the new Confidence Sharing with the aim to create a globalized society and civil Indonesia (Syaiful, 2015).

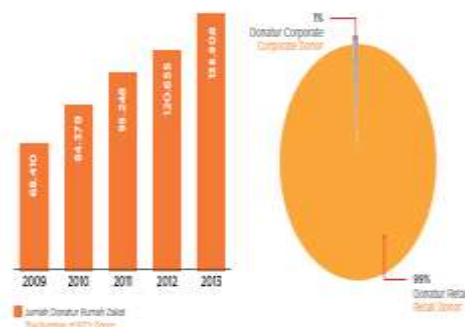


Figure 1: Development Projection of Donors (Zakat) since 2009-2013 (Syaiful, 2015)

Institutions like Dompot Dhuafa structure Initially President Dhuafa Wallet, Eri Sudewo passed on his leadership position to Ismail Agus said where the term of leadership, focusing on innovation and expansion of the organization to what had been Eri Sudewo get up and running, including the opening of several branches and representative offices Dompot Dhuafa well inside and outside the country and the second development zakat management program that has been initiated previously to be more systematic, varied and innovative with utilization of zakat program is managed by a separate organization called networking / organ (Nurdin, 2013).

Then later turned cultural institution that is by trying to raise funds Islamic philanthropy that manages to support an initiative for social justice based on social enterprize of the press community (general daily Republika) and young scholars urban Among the reporters are the people who have the education that is high enough, and have knowledge (Irfan, 2015). In support of these efforts the actors who played the Parni Hadi, Eri Sudewo, Haidar Baqir, and S. Sinansari Ecip, figures Among journalists and reporters. Cooperation network built by the agency led to the strategy of membership namely through membership cards and discount cards in several companies that partner with the Bank that occurred figuration in which institutions hold the SMART Ekselensia Indonesia, Makmal Pendidikan, Beastudi Indonesia, School teacher Indonesia, Charter Schools, Institut Independence, Social entrepreneurs Academy.

CAPITAL ANALYSIS THEORY OF PIERRE BOURDIEU

Zakat initially only acts as a stand-alone and do the performance with the help of the mass media and publications as a means of mass communication. But the longer the model is being abandoned and started doing a model partnership with various institutions, companies, state-owned, and even to the empowerment program. As what has been intensified by the three institutions collector of zakat (Baznas, RZ and Dompot Dhuafa).

They took off the old clothes and then transformed in a great effort to bring capital as a means of power production and perpetuates existence as an institution channeling zakat reliable and professional. In Bourdieu approach, it thus considered as a habitus, that is, as conditioning associated with the terms of the existence of a class. According disposition systems hold time and can be inherited, the structures were set up, which will function as well as structures that form is the result of a habitus. Thus, habitus is the result of skills into practical actions (not always realized) which is then translated into an ability that seems natural and thrive in a particular social environment. Habitus produces different lifestyles and practices of life gained from the experience of individuals in interaction. Based on the above, the proposed definition of Bourdieu's habitus

can be formulated into a driving source of action, thought and representation. It includes several principles, including: first, habitus includes cognitive and affective dimensions in the system manifested disposition (Richard, 2009: 13).

According to Bourdieu, each capital is concerned, can also be changed. Each individual can go beyond the limits of his capital (economics), to raise their social class in the social world. Such individuals have the cultural capital (venture) and symbolic capital (achievement). By having the cultural and symbolic capital, to cover the economic capital. Economic capital can be obtained with the effort to make the program, if successful it became the symbolic capital (achievement). This symbolic capital that brought the individual to the social capital (social networks with institutions and companies). Thus, capital related to each other, as well as capital could be changed (increased) and social class that describes the social status of individuals in society. Bourdieu considers social reality as a typology of space, with a wide variety of arenas in it; politics, arts, entertainment, academic, religion, philosophy (Ritzer and Goodman, 2012: 284).

The change in direction with a partnership relational Zakat Organization due to efforts to expand the market or Bourdieu called it as an expansion Arena. Expansion of the model of cooperation in Social Enterprise trying to build a business unit which is then used as a model to develop the reputation of the institution by providing social services in the form of community empowerment. This is caused by their past experience where so difficult to obtain continuous donors who contributed funds. Bourdieu sees this as a habitus which is a product of history. Bourdieu argues "the habitus, the product of History, produces individual and collective practices, and hence history, in accordance with the schemes engendered by history (Ritzer, 1996: 405). Bourdieu himself stated, "As an incentive scheme system obtained, habitus allows creativity of thought, the whole perception and action are engraved in the restrictions inherent in the specific conditions of production". Thus, habitus is the result of learning and socialization of individuals or groups, sometimes the influences of the past.

The emergence of effort and the cooperation among institutions and corporations indicate efforts in strengthening the institutions of capital foundation zakat in Indonesia. As in institutions House charity in which the development of offline services, pioneering collaboration that goes with Lotte Mart, Gramedia, SB Mart, Eating Duck Kaleo, and Rumah Makan Bumbu Desa also provide convenience donations through collaboration with 4,500 post office network contained throughout the country. As well as products Icard (Donation Card) one of the innovative products of synergy Rumah Zakat along with Adira Asuransi Syariah created with the aim to share a particular concern for the beauty of donor. This indicates that zakat institution in Indonesia has been doing orientation change significant work although in the end they still do zakat fund distribution to the public. Accordingly, Bourdieu provides the construction of the theoretical to the capital as follows: "Capital is a social relation, ie, an energy the which only exists and only produces its effects in the field in the which it is produced and Reproduced, each of the properties attached to class is given its value and efficacy by the specific laws of each field "(Fauzi, 2007: 97). In the above description can also be withdrawn understanding that the structural and relational ties that serve container institutional development at the heart of zakat institution in Indonesia. When these partnerships are developed, the greater the capital base built by the zakat institution.

CONCLUSION

In conclusion zakat institution in Indonesia either Baznas Organization, Rumah Zakat and Dompot Duafa each has social experience significant institutional transformation since the new order. The development include various elements of structure, culture, habitus, figuration, interdependency to involvement. It shows the influence of the network of partnerships that seek perpetuated by charity organizations in an effort to obtain capital funding. Similarly to what was said by Bourdieu found in the realm of institutional occur If the competition among the players to win the game, then the use of strategy is required. This strategy is necessary to maintain and those who want to change the distribution of capitals in relation to hierarchy of power and also to expand the arena in order to seize territory and interwoven connections partnerships. Therefore, that is why many charity institutions that hold the cooperation by corporations and engage with public through empowerment or Social empowerment in order to optimize performance to be a professional institution.

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A Preliminary Study about the Impact of Destination Websites' Persuasiveness on Perceived Risk and Purchase Intention

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Abstract. Destination websites are visited by potential tourists for information search and destination selection purposes. In particular, persuasiveness of destination websites is important for attracting users and also providing necessary information about the destination. In this study, a conceptual model which indicates destination websites' persuasiveness influence on online tourist behaviour in terms of perceived risk and intention to purchase is proposed. As a preliminary study, this research is hypothesized to clarify the relationships amongst these variables.

Keywords— Destination, Websites' Persuasiveness, Perceived Risk, Purchase Intention

INTRODUCTION

Information and communication technologies opened a new realm of possibilities for tourism and travel sector. For tourist destinations, official websites are now quite important information, marketing, promotion, and communication instruments. However, destination authorities and website content creators should consider the necessities for generating well-designed, highly qualified, and successful websites; and for identifying the factors that have influence on tourists' online search and purchase behaviours. Therefore, it is necessary to identify the antecedents of online tourist information search and purchase behaviour through conceptual and empirical research.

The thinking behind this paper comes from a desire to contribute the previous literature on information and communication technology usage behaviour of tourists and to propose a research model which investigates the relationships amongst destination websites' persuasiveness, perceived risk, and purchase intention. In the following sections, a literature review about the variables that are examined in this paper, aim of the research, method and discussion of the prospective theoretical and managerial implications are presented.

LITERATURE REVIEW

Latest developments in information and communication technologies, both increased the synergistic interaction between tourism companies and tourists (Frew, 2000), and also enabled people to obtain information much more easily, accurately, and timely. Especially the Internet has made a great contribution to marketing practice in tourism and travel industry (Luque-Martínez et al., 2007). Online marketing of tourism products or services, and even destinations are now practicable. Several platforms and content creators are available nowadays that offer information to tourists for mainly marketing and communication purposes. Burgess et al. (2011) categorize these suppliers as independent expert, consumer, and seller (Table 1).

Moutinho (1987) defines information search as “an expressed need to consult various sources prior to making a purchasing decision”. Whether obtained from internal sources such as memory and personal experiences, or from external sources such as marketplace, tourism and travel related destination information is a need for potential tourists at the destination choice process (Perdue, 1985).

Particularly, official destination websites (called as government tourism websites, in Table 1) are seen as one of the most reliable external information sources by increasing number of people. These websites are considered independent and credible sources which provide tourism-related and destination specific information to website users. Besides, destination websites meet the needs of tourists about destination offerings as well as minimize the possible risk anticipations.

A destination website should persuade tourists about the responsiveness, accuracy, and honesty of its content; generate positive impressions about its design; and motive tourists to visit the subject destination. Since many of the tourism products or services, and travel packages are perceived risky by potential tourists which are not available to test before the purchase, they tend to “engage in information searches prior to purchase decisions in order to minimise risks” (Jacobsen & Munar, 2012). At this point, destination websites are reliable and facilitator search engines that tourists generally use at the destination selection process.

Table 1. Different Content Creators of Online Tourism Information

| Content Creator | Description/Features | Examples |
|----------------------------|--|--|
| Independent Expert | Information is created by what people perceive to be independent bodies or entities that allow the published information to embrace elements of objectivity and credibility. | Government tourism websites Travel agents |
| Consumer | Information that embodies User-Generated-Content that can be viewed as forms of electronic word-of-mouth (or eWOM) | Weblogs Social networking sites Third party tourism websites such as Tripadvisor |
| Seller (Tourism Operators) | Promotional marketing of an operator’s products through a review in the traditional media or on a website recommending a particular product. | Email promotion based on a commercial mailing list Tourist operators own website |

(Source: Burgess et al., 2011)

In this study, therefore, the persuasiveness of official destination websites has been the focus of research interest. Principally, persuasive destination websites should “have the ability to evoke favourable impressions toward the site” (Kim & Fesenmaier, 2008), and “can influence the attitudes of website visitors” (Lee & Gretzel, 2012). For being successful in the tough international market competition, as Loda, Teichmann, and Zins (2009) stated, tourism providers should understand how they may maximize the persuasiveness of their websites. Because, tourists who become satisfied with a destination website’s content, aesthetic, functions etc., are expected to generate positive image, intention to purchase and to visit toward the subject destination. Mitchell and Boustani (1994) also note that “consumer information processing in the pre-purchase context plays an important role in reducing perceived risks”. Therefore, persuasive characteristic of a destination website may enable content creators to decrease the perceived risks of the potential tourists.

In the tourism literature, perceived risk has been a widely investigated topic (Mäser & Weiermair, 1998; Mitchell et al., 1999; Slevitch & Sharma, 2008; Fuchs & Reichel, 2011) and various risk dimensions or destination attributes were offered so far by the academics. For Yeung and Morris (2006), risk perception can be defined in terms of “concerns about potential consequences, long-term adverse impacts and the involuntariness of exposure” at the decision making process. In earlier studies (Bauer, 1960; Cox, 1967), researchers conceptualized perceived risk under two dimensions as: uncertainty and consequences. Destinations need to offer online and offline information resources and availabilities, since lack of information implies uncertainty in the eye of tourists (Slevitch & Sharma, 2008). In terms of consequences, the academics identified the factors such as “functional, performance, or psychological goals and the money, time, and effort invested to achieve those goals” related to perceived risk (Lin, Jones & Westwood, 2009).

Persuasive destination websites may influence website users’ (tourists’) attitudes. Because, empirical evidences obtained from the previous studies show that highly qualified and well-designed destination websites have impact on user behaviour such as trust, satisfaction, and purchase intention (Wen, 2012). Moreover, Ajzen and Fishbein (1980) argue that intention is solely predictor of actual behaviour, while there is a strong and significant correlation between these variables.

RESEARCH QUESTION

To understand and predict online tourist behaviour, a research model is proposed which examines the importance of website persuasiveness for decreasing perceived risk and increasing purchase intention of the users’. In Figure 1, the research model which demonstrates these relationships is shown.

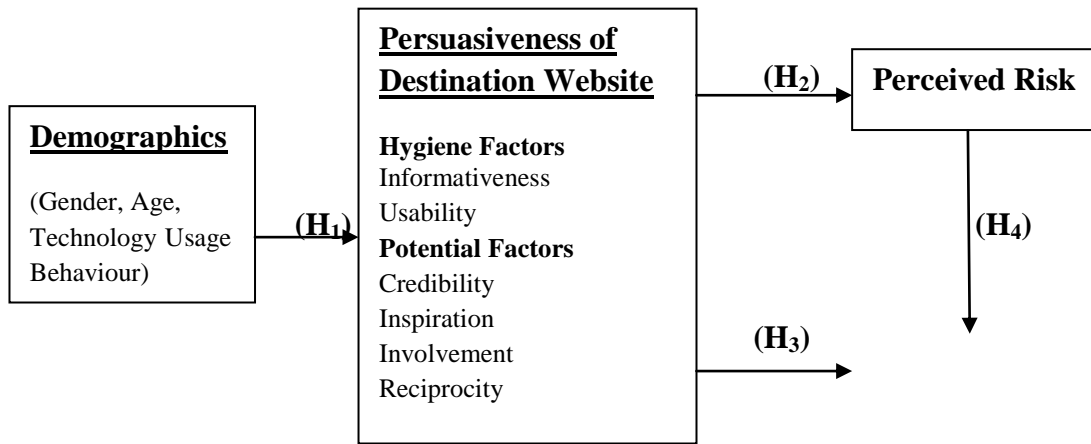


Figure 1. Research Model

These are the hypotheses that should be tested:

H₁: Participants' demographic characteristics influence on their perception about persuasiveness of destination website.

H₂: Persuasiveness of destination website negatively effects (reduces) perceived risk.

H₃: Persuasiveness of destination website positively effects (increases) intention to purchase.

H₄: Perceived risk negatively effects (reduces) purchase intention.

METHODS

This is a quasi-experimental research which is going to be conducted by following stages. Firstly, a survey will be performed for measuring the participant perceptions about website persuasiveness, risk perception, purchase intention variables. Demographics of the participants, such as gender, age, technology usage behaviour are also be identified by additional questions. Nineteen items of the website persuasiveness, which conceptualize that the variable contain hygiene and potential factors, are obtained from Kim and Fesenmaier's (2008) study. Four items that measure perceived risk are adapted from Chan and Lu (2004). All items will be measured by using 7-point Likert type of scale with a range from 'strongly disagree' (1) to 'strongly agree' (7). Purchase intention is going to be examined by two items obtained from Bai, Law and Wen (2008), where participant intentions in the near future (6 months) and longer term (2 years) are determined by 7-point Likert type scale ranged from (1) being 'very unlikely' to (7) being 'very likely'. The variable "Purchase intentions" was examined in a two-item 7-point Likert type scale ranged from "7" being "Very likely" to "1" being "Very unlikely" that reflects online visitors' behavioral intentions in the near future (6 months) and relatively long term (2 years). The variable "Purchase intentions" was examined in a two-item 7-point Likert type scale ranged from "7" being "Very likely" to "1" being "Very unlikely" that reflects online visitors' behavioral intentions in the near future (6 months) and relatively long term (2 years).

By using convenience sampling method, data will be collected from the university students. Because, the university students are "useful surrogates when modelling underlying consumer behavioural processes" (Sweeney, Soutar, & Johnson, 1999). Tourism Faculty students of Akdeniz University, Antalya-Turkey, as the sample of the study, will be asked to complete a pre-structured survey while they are searching Antalya destination's official website at a laboratory. Following, the obtained data will be analyzed for testing the research model by using Structural Equation Modelling technique and for identifying the demographic differences.

CONCLUSION

With appropriate data collection and empirical testing, results of this study may enable the academics to offer important theoretical and managerial implications. For example, sector authorities may collaborate with professional website designers with the aim of enhancing the attractiveness, effectiveness, and persuasiveness of destination website. User opinions and critiques about their website experiences; sufficiency of various website functions for meeting the information needs of users; and impact of website's overall quality on users' risk perceptions and purchase intentions can be measured and developed by continuous monitoring. In addition, persuasiveness of a subject destination's website can be benchmarked with market leader destination's website. If destination risk factors and their importance in the eye of tourists may also be identified by user feedbacks, authorities may consider including additional information about these issues. Investigation of the relationships amongst website

persuasiveness, risk perception, purchase intention, like this study, is expected to enlarge the scientific perspectives about online information search behaviour in the tourism and travel literature.

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The Effect of Mood on Tourists' Service Quality Perceptions

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Abstract. In the tourism industry, numerous variables may affect service quality perceptions of tourists such as personality, cultural background, and mood. Therefore, it is important to consider the effect of these variables for understanding and assessing the service quality perceptions of tourists. In the literature, for example, mood has been one of the ignored and rarely investigated psychological determinants by the academics. Thus, the aim of this research is to examine the effect of mood on service quality perception by using 436 data obtained from tourists who were accommodating in five-star hotels in Antalya-Turkey. Firstly, sub dimensions of service quality were identified as “tangibles”, “reliability and responsiveness”, and “assurance and empathy”. Then, the participants were clustered as ‘good mood’ and ‘bad mood’ tourists so that the effect of moods on each service quality sub dimensions would have been tested by independent t tests. The results showed that good mood tourists had higher service quality perceptions for all sub dimensions than bad mood tourists.

Keywords— Service Quality Perception, Mood, Hospitality, Antalya

INTRODUCTION

Service quality is one of the most important determinants of customer satisfaction which further increase profitability of the businesses. Thus, many academics focus on service quality perception of the customers. However, recent studies show that customers' mood also affect customer experiences and perceptions (e.g. Homburg, Koschate, and Hoyer, 2006). Unfortunately, there are limited researches that investigate the role of mood on tourists' service quality perceptions in the tourism industry, especially in the hospitality sector. Therefore, the objective of this research is to examine the effect of mood on service quality perception. More specifically, this study aims to identify whether service quality perception of tourists visiting Antalya-Turkey differ according to their moods.

The paper is structured as follows: after a literature review about service quality and mood, research methodology is presented. Afterwards, the results of the analyses are summarised. The paper is concluded with the discussion of findings and future study recommendations.

LITERATURE REVIEW

2.1 Service Quality

Delivering higher service quality than the competitors' is one of the most effective differentiating strategies of service firms (Kotler, Bowen, and Makens, 2014). Thus, researchers have been widely investigated service quality in different settings such as banking (e.g. Zhu, Wymer, and Chen, 2002), health care (e.g. McGlynn, Asch, Adams, Keesey, Hicks, DeCristofaro, and Kerr, 2003), hospitality (e.g. Saleh and Ryan, 1991), travel (e.g. Ho and Lee, 2007) industries. Early research specifically focused to define service quality concept. For example, Parasuraman, Zeithaml, and Berry (1985) described service quality as “a global judgment, or attitude relating to the superiority of a service”. They denoted that the perceived service quality was a reflection of the degree and direction of discrepancy between consumers' perceptions and expectations. Similarly, Zeithaml (1988) defined service quality as “the customer's assessment of the overall excellence or superiority of the service”.

The academics proposed different models for measuring service quality. For example, Parasuraman, Zeithaml, and Berry (1985) argued that service quality could have been measured by comparing customers' service quality perceptions and expectations. Therefore, they proposed SERVQUAL instrument which consists of 22 items. By using this scale, expectations of the customers are measured before the service experience. Then, service quality perceptions of the customers are measured by using the same scale. Finally, the gap scores are calculated by comparing customers' service quality perceptions and expectations. Contrary to SERVQUAL model (Parasuraman, Zeithaml, and Berry, 1985), Cronin and Taylor (1992) showed that performance only approach (i.e. customers' service quality perceptions) exhibited a stronger correlation with service quality. Thus, they offered SERVPERF model consists of same 22 items, which solely measures service quality perceptions.

There are many studies that examine the relationship between service quality and various variables like customer satisfaction and behavioural intention. For example, Taylor and Baker (1994) who examined the relationship between service quality and customer satisfaction in transportation (airlines), health care, recreation (amusement park) service, and communications (long-distance telephone) industries, showed that higher level of perceived service quality resulted in increased consumer satisfaction. Similarly, Andreassen and Lindestad (1998) who collected data from 600

package tour participants in Norway, denoted that service quality was an important antecedent of both customer satisfaction and loyalty.

2.2 Mood

While the terms of emotion and mood are frequently used interchangeably, most of the academics agree that they are closely related but distinct phenomena (e.g. Beedie, Terry, and Lane, 2005). On the one hand, emotion is a temporary and intense feeling caused by a specific event or object. On the other hand, mood is a permanent and mild feeling. In addition, behavioural influences and consequences of emotion and mood are not completely understood yet. Table 1 shows the main differences between emotion and mood (Huang, Scott, Ding, and Cheng, 2012). In this study, mood is defined as “a consumers’ affective state that is relatively global in nature, as opposed to emotions, which tend to have a specific cause” (Rusting, 1998; Martin, 2003).

Table 1. Differences between Mood and Emotion

| Criteria | Mood | Emotion |
|-----------------|-----------------------------|---------------------------------------|
| Cause | Cause is less well defined. | Caused by a specific event or object. |
| Duration | Permanent | Temporary |
| Intensity | Mild | Intense |
| Timing | Rises and dissipates slowly | Rises and dissipates quickly |
| Consequences | Largely cognitive | Largely behavioural and expressive |
| Control | Controllable | Not controllable |
| Stability | Stable | Fleeting and volatile |
| Display | Not displayed | Displayed |
| Experience | Thought | Felt |

Adapted from Beedie, Terry and Lane (2005)

Limited number of researchers has investigated the role of emotion in consumer behaviour. For example, Mano and Oliver (1993) documented strong relationships between product satisfaction and product-related emotions. In addition, Oliver (1994) suggested that positive and negative emotions had direct impacts on customer decision process. Similarly, Homburg, Koschate, and Hoyer (2006) argued that customer satisfaction was influenced by cognitive and affective consideration of purchase experience. Moreover, they explained that customers with positive feelings might ignore service failure incidents. Liljander and Strandvik (1996) argued that negative emotions had a stronger effect than positive emotions on satisfaction. In one of the recent studies, White (2006) investigated the relationships among mood states, emotions, service quality perceptions, and consumer loyalty by a comprehensive model. They found that mood states and emotions had influences on consumer loyalty.

METHODOLOGY

A pre-structured questionnaire was used in this study for data collection. The first part of the questionnaire consists of 20 personality items derived from Glazer (1985). The second part measures participants’ mood by 4 items adapted from Swinyard (1993), Mattila and Enz (2002), and White (2006). The third section captures 22 items which measures respondents’ service quality perceptions (Cronin and Taylor; 1992). The next section contains 3 items for evaluating respondents’ satisfaction. All items were measured by 7 point Likert type of scale ranging from strongly disagree (1) to strongly agree (7). In addition, 7 questions related to demographic characteristics were included to the survey. The questionnaire which was originally in English, translated into Russian language, since the target sample was the British and Russian tourists visiting Antalya-Turkey.

Data used in this study is a part of a research project about personality, mood, and service quality perception relationships. 800 questionnaires were collected from 2 five-star hotels located in Antalya-Turkey in the period of July, August, and September, 2015. After eliminating incomplete questionnaires, 436 useable data were remained for the analyses.

RESULTS

The demographic characteristics of the participants that include gender, age, occupation, nationality and marital, educational status information are shown in Table 2. Of the 436 participants, 59.6 percent were females, 55 percent were singles. In addition, most of the participants were Russian tourists (57.6%). The majority of respondents had college or university level of education (39%). Considering the age, most of the participants were between 21-30 years old (28.2%). Furthermore, 19.5 percent of the participants were retired followed by company employees (18.8%) and students (18.1%).

Table 2. Sample Characteristics (N=436)

| Characteristics | | N | % |
|--------------------|-----------------------|-----|------|
| Gender | Male | 176 | 40.4 |
| | Female | 260 | 59.6 |
| Marital status | Married | 196 | 45.0 |
| | Single | 240 | 55.0 |
| Occupation | Retired | 85 | 19.5 |
| | Company Employee | 82 | 18.8 |
| | Business Owner | 56 | 12.8 |
| | Government Sector | 35 | 8.1 |
| | House wife | 55 | 12.6 |
| | Student | 79 | 18.1 |
| | Other | 44 | 10.1 |
| Age | 20 and below | 47 | 10.8 |
| | Between 21-30 years | 123 | 28.2 |
| | Between 31-40 years | 70 | 16.1 |
| | Between 41-50 years | 86 | 19.7 |
| | Between 51-60 years | 86 | 19.7 |
| | 61 and above | 24 | 5.5 |
| Nationality | Russian | 251 | 57.6 |
| | British | 185 | 42.4 |
| Educational Status | Primary School | 14 | 3.2 |
| | High School | 100 | 22.9 |
| | College or University | 170 | 39.0 |
| | Postgraduate | 78 | 17.9 |
| | Other | 74 | 17.0 |

Hierarchical Clustering Analysis (with Ward method) was conducted by using mood items' means for clustering participants. Two clusters were obtained and named as the "good mood" and "bad mood" tourists. The mood levels of each cluster are shown in Table 3. Good-mood participants are more happy and comfortable than bad-mood participants. In addition, good-mood participants are not stressful.

Table 3. Mood Means Differences by Groups

| Items | Good Mood f: 115 | | Bad Mood f: 321 | |
|---|---------------------|------|--------------------|------|
| | \bar{X} | SD | \bar{X} | SD |
| Curently, I am in a good mood | 6.22 | 0.70 | 3.5 4 | 1.31 |
| As I answer these questions I feel cheerful | 5.84 | 0.97 | 3.0 9 | 1.48 |
| For some reason I am not comfortable right now* | 5.95 | 1.45 | 3.8 4 | 1.55 |
| At this moment I feel edgy or irritable* | 6.72 | 0.62 | 3.9 5 | 1.46 |

f: Frequency, \bar{X} : Average, SD: Standard deviation, * reversed items

Following, factor analysis was used in order to determine dimensional structure of the service quality scale. 22 items which measure participants' perceived service quality were assessed by explanatory factor analysis with varimax rotation. The Bartlett test of sphericity value (15653.104) showed that there was a relationship between these variables. In addition, KMO (Kaiser Meyer Olkin) value (0.96) reflected that sample size was adequate for conducting factor analysis.

Results of factor analysis offered 3 factors with an eigenvalue greater than 1.0 and explaining 88.3% of the total variance. Table 5 shows the factor loadings, average means, explained variance, and reliability coefficients. Factors were named considering the items that they captured.

Factor 1 includes 5 items, which explain 22.79% of the total variance and was named as "tangibles".

Factor 2 includes 9 items which explain 34.53% of the total variance was named as "reliability and responsiveness".

In addition, factor 3 which captures 8 items and explains 34.53% of total variance was named as "assurance and empathy".

Table 4. Service Quality Dimensions

| Items | Tangibles | Reliability and Responsiveness | Assurance and Empathy |
|---|-----------|--------------------------------|-----------------------|
| The hotel has modern looking equipment. | 0.942 | | |
| The physical facilities at the hotel are visually appealing | 0.916 | | |
| Staff at the hotel appear neat | 0.911 | | |
| Materials associated with the service are visually appealing | 0.925 | | |
| The hotel has opening hours convenient to all of its patrons | 0.775 | | |
| When the hotel promised to do something by a certain time, it did it | | 0.835 | |
| When patrons have problems, the hotel shows a genuine interest in solving them | | 0.875 | |
| The hotel performs the service right the first time | | 0.875 | |
| The hotel provides its services at the time it promises to do so | | 0.879 | |
| The hotel insists on error-free service | | 0.872 | |
| Staff at the hotel were able to tell patrons exactly when services would be performed | | 0.868 | |
| Staff at the hotel give prompt service to the patrons | | 0.763 | |
| Staff at the hotel are always willing to help patrons | | 0.752 | |
| Staff of the hotel are never too busy to respond to patrons | | 0.729 | |
| The behaviour of staff instils confidence in its patrons | | | 0.776 |
| Patrons of the hotel feel safe in their transactions | | | 0.758 |
| Staff of the hotel are consistently courteous with patrons | | | 0.781 |
| Staff of the hotel have the knowledge to answer patrons | | | 0.794 |
| The hotel gives patrons individualized attention | | | 0.894 |
| The hotel has staff who give its patrons personalized attention | | | 0.904 |
| The hotel has the patrons' best interests at heart | | | 0.890 |
| The staff of the hotel understand the specific needs of their patrons | | | 0.893 |
| Average | 4.96 | 3.88 | 4.05 |
| Cronbach Alpha | 0.969 | 0.976 | 0.982 |
| Variance (%) | 22.79 | 34.53 | 30.98 |

Total variance explained: 88.31%; KMO:0.96; Bartlett's test for sphericity:15653.104 (p<0.01)

In order to determine whether participants' mood levels affect their service quality perceptions, independent samples t tests were conducted (Table 5). Analyses results revealed that service quality perceptions of good-mood participants were higher than bad-mood participants.

Table 5. Service Quality Perception Differences by Groups

| Service Quality Dimensions | Good Mood f: 115 | | Bad Mood f: 321 | | P |
|--------------------------------|---------------------|------|--------------------|------|------------|
| | \bar{X} | SD | \bar{X} | SD | |
| Tangibles | 6.06 | 1.16 | 4.57 | 1.79 | 0.00* * |
| Reliability and Responsiveness | 4.21 | 1.34 | 3.76 | 1.38 | 0.03* |
| Assurance and Empathy | 5.44 | 0.83 | 3.55 | 1.72 | 0.00* * |

f: Frequency, \bar{X} : Average, SD: Standard deviation, p: Significance, **p<0.01, *p<0.05

DISCUSSION

The aim of this research was to examine the role of mood in service quality perception. For achieving this purpose, data obtained from the British and Russian tourists who were accommodating in 2 five-star- hotels in Antalya were used. Participants were grouped into the good-mood and bad-mood tourists, by relying on their mood levels. By using exploratory factor analysis, "tangibles", "reliability and responsiveness", and "assurance and empathy" were identified as the underlying dimensions of service quality. While five-dimensional structure of SERVPERF has been proved by number of researchers (Devebakan and Aksaraylı, 2003; Carrillat, Jaramillo, and Mulki, 2007; Landrum, Prybutok, and Zhang, 2009), in this study three dimensions were obtained, similar to Zhou's study (2004).

Then, independent sample t test results showed that mood level of the participants affect their service quality perceptions. In other words, service quality perceptions of good-mood participants were higher than bad-mood participants. To conclude, the results of the study indicate that mood is an important determinant of service quality perception. In the future studies, it is recommended by the authors that the academics should examine the role of mood in different service settings for testing the sample, sector and research area differences. This will both enable researchers to enlarge the literature about mood and also to clarify the influence of mood on customer behaviour.

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Do Tax Burden Matter in Income Distribution: A Quantile Regression Approach

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Abstract. The objective of the study is to explain the seeming paradox of countries with a high tax burden and a continually concentrated distribution of income by using 120 countries from 1984 to 2012. Our main contribution is to examine the income distribution determinants throughout the conditional distribution of income across nations. By means of quantile regression model we analyze the distributional impact of tax burden on the Gini index. Quantile regression approach can analyze the effects across quantiles in the conditional distribution. In addition, this paper consider GDP per capita, openness, education, female labor force participation rate, unemployment rate, population density, subsidies and others. Our results for the significant determinants support some findings in the literature, but also provide new conclusions. In many cases, quantile regression estimates are quite different from those from OLS regressions. Tax burden, GDP per capita and female labor force participation rate has a significant impact for low quantiles of the distribution of income. Our results suggest that some current tax policies may be reconsidered, especially among the least Gini index nations.

Keywords— Tax Burden, Income Distribution, Quantile Regression

INTRODUCTION

Income distribution remains one of the most debated economic issues in developing countries. Although poverty has declined fast and steadily during the last decade, inequality has not changed much. Quite often it is concluded that the stagnation of income distribution is due to inappropriate policies that should be replaced by direct redistributive measures. Given that one of the ways the state can affect income distribution is through the tax system, there is permanent discussion on the distributional effects of taxes. This discussion heats up whenever the government proposes some tax amendment.

Toward the end of the 19th century the German political theorist Adolph Wagner devised his law of expanding state activity, also known as Wagner's law. This law stated that the size of public sector in the economy grows as per capita income rises. Although this "law" was somewhat controversial, the data show that there is a tendency for government expenditures as a share of GDP to be larger for rich than for poor countries.

Similarly, recent economic experience of a number of major developing economies has raised the concern that the price of high per capita income growth may be an accompany worsening inequality in the relative distribution of income. One would expect to find the tax burden of most low income countries to be lighter than the tax burden of wealthy countries, and at the same time that the distribution of income to be more equitable in higher than in lower income countries.

One would thus expect to find the tax burden of most low income countries to be lighter than the tax burden of wealthy countries, and at the same time that the distribution of income to be more equitable in higher than in lower income countries. It is thus striking to find that in Brazil, one of the maor emerging countries, the tax burden is similar to that of many advanced industrial countries, its income distribution is among the most concentrated in the world. It is the purpose of this article to throw some light on this seeming paradox.

As an alternative to OLS regression, this study uses quantile regression to presents an overview of tax burden and income inequality. The remainder of this study is organized as follows. Section 2 proposes our methodology. Section 3 provides a brief model. Section 4 presents the empirical results, and Section 5 concludes.

METHODOLOGY

Quantile regression (hereafter, QR) is based on the minimization of weighted absolute deviations to estimate conditional quantile (percentile) functions (Koenker and Bassett 1978; Koenker and Hallock 2001; Zietz et al. 2008). For the median (quantile=0.5), symmetric weights are used, and for all other quantiles (e.g., 0.1, 0.2, ..., 0.9) asymmetric weights are employed. In contrast, classical OLS regression estimates conditional mean functions. Unlike OLS, quantile regression is not limited to explaining the mean of the dependent variable. It can be employed to explain the determinants of the dependent variable at any point of the distribution of the dependent variable.

Quantile regression generalizes the concept of an unconditional quantile to a quantile that is conditioned on one or more covariates. Least squares minimizes the sum of the squared residuals,

$$\min_{\{b_j\}_{j=0}^k} \sum_i (y_i - \sum_{j=0}^k b_j x_{j,i})^2,$$

where y_i is the dependent variable at observation i , $x_{j,i}$ the j th regressor variable at observation i , and b_j an estimate of the model's j th regression coefficient. By contrast, quantile regression minimizes a weighted sum of the absolute deviations,

$$\min_{\{b_j\}_{j=0}^k} \sum_i |y_i - \sum_{j=0}^k b_j x_{j,i}| h_i,$$

where the weight h_i is defined as

$$h_i = 2q$$

if the residual for the i th observation is strictly positive or as

$$h_i = 2 - 2q$$

if the residual for the i th observation is negative or zero. The variable q ($0 < q < 1$) is the quantile to be estimated or predicted.

The standard errors of the coefficient estimates are estimated using bootstrapping as suggested by Gould (1992, 1997). They are significantly less sensitive to heteroscedasticity than the standard error estimates based on the method suggested by Rogers (1993).

Quantile regression analyzes the similarity or dissimilarity of regression coefficients at different points of the distribution of the dependent variable, which is tax burden in our case.

THE MODEL

In order to analyze the empirical relationship between income inequality and tax burden for 120 countries, we use unbalance panel data during 1984 to 2012. However, since some countries do not present data for all considered variables we need to discard some data. Table 1 provides the definition of variables and expected impact.

Since tax burden could have heterogeneity in the potential effects, we use a structural quantile regression (QR) method, where income distribution for each country is the dependent variable of tax burden and other control variables. QR estimation is fully described in Koenker (2005).

Quantile regression approach offers a more complete characterization of the stochastic relationship among variables and provide a more robust, and consequently more efficient, estimates in some non-Gaussian settings. In the case analyzed in this paper, this class of estimator is suitable, since it is important to analyze the behavior of tax burden in each quantile of the conditional income inequality distribution.

QR is not only concerned with the income distribution effect on the average individual, but allows one to estimate the marginal effect of a given tax burden on individuals at different points in the conditional achievement distribution.

To study the determinants of income distribution, we use ten variables: tax burden (TB), economic development (GDP), openness (OPEN), female labor force participation rate (FEMALE), unemployment rate (UN), population density (DEN), population growth rate (POPG), government subsidized (SUB), degree of urbanization (URBAN), and one dummy variable (DUMMY). Formally, the estimated equation takes the following form

$$GINI_{it} = \alpha + \beta_1 TB_{it} + \beta_2 GDP_{it} + \beta_3 FEMALE_{it} + \beta_4 OPEN_{it} + \beta_5 DEN_{it} + \beta_6 POPG_{it} + \beta_7 SUB_{it} + \beta_8 URBAN_{it} + \beta_9 UN_{it} + \beta_{10} DUMMY_{it} + \varepsilon_{it}$$

Tax burden and economic development are standard determinants that are used in almost every study devoted to the causes of income distribution. The other variables in Eq. (1) have also been used quite frequently in some studies.

Table 1 The definition of variables and expected impact

| Variable Name(Code) | Variable definition | Expected impact | Source of data |
|--|---|-----------------|--|
| <i>Explained variables</i> | | | |
| Gini coefficient(GINI) | Gini coefficient is between 0 and 1, the Gini coefficient is smaller, more average annual income distribution, higher the Gini coefficient, income distribution more unequal. | | WDI |
| <i>Variables</i> | | | |
| Tax burden(TB) | Tax revenue as percentage of GDP | — | WDI |
| Economic development(GDP) | GDP per capita | + | |
| OPEN(OPEN) | The sum of exports and imports of goods and services measured as a share of | ? | |
| Level of education(EDU) | School enrollment, tertiary (% gross) | ? | |
| Female labor force participation rate (FEMALE) | Labor force, female (% of total labor force) | ? | |
| Unemployment rate (UN) | Unemployment, total (% of total labor force) | + | |
| Variable Name(Code) | Variable definition | Expected impact | Source of data |
| <i>explanatory variables</i> | | | |
| Population density (DEN) | Midyear population divided by land area in square kilometers | + | WDI |
| Population growth rate (POPG) | Annual population growth rate for year t is the exponential rate of growth of midyear population from year t-1 to t, expressed as a percentage | + | |
| Government-subsidized (SUB) | Subsidies and other transfers (% of expense) | — | |
| Degree of urbanization(URBAN) | Urban population (% of total) | + | |
| <i>Other Variables</i> | | | |
| Dummy variable (DUMMY) | Developing country=1 Non-developing countries=0 | | World economic outlook, April 2015 (International Monetary Fund) |

EMPIRICAL RESULTS

All of the results are presented in Table 2. The first column provides the OLS regression results, and the next nine columns provide the QR results for quantiles 10 to 90. First, the OLS slope estimate of the tax burden is

significantly negative at the 1% level. This result indicates that as higher tax burden by government, the more even the income distribution. Secondly, greater GDP per capita, female labor force participation rate, population growth rate, urban population and unemployment rate affect income distribution significantly. A higher level of education and population density seems more to lower GINI index. More openness in countries, other things being equal, are also associated with lower GINI index. A greater government subsidized leads to lower GINI index. However, OLS estimates provide a baseline of mean effects, and we compare these to estimates for separate quantiles in the conditional distribution of income.

Table 2 Coefficient estimates, OLS and by Quantile

| | | Quantile | | | | | | | | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|--------------|-------------------|-------------------|-------------------|
| | OLS | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 |
| Constant | 0.135** * | 0.077 | 0.034 | 0.023 | 0.114 | 0.178* | 0.284** * | 0.370** * | 0.459** * | 0.591** * |
| | (0.003) | (0.204) | (0.633) | (0.703) | (0.214) | (0.078) | (0.006) | (0.000) | (0.003) | (0.000) |
| <i>Dependent variable</i> | | | | | | | | | | |
| TB | - 0.202** * | - 0.388** * | - 0.395** * | - 0.371** * | - 0.354** | - 0.254** | -0.1331 | -0.097 | -0.030 | -0.029 |
| | (0.003) | (0.000) | (0.000) | (0.000) | (0.000) | (0.020) | (0.2328) | (0.308) | (0.756) | (0.789) |
| <i>Control variables</i> | | | | | | | | | | |
| GDP | 0.020** | 0.027** * | 0.022* | 0.030** | 0.024* | 0.007 | -0.007 | -0.006 | -0.016 | -0.022 |
| | (0.042) | (0.006) | (0.059) | (0.012) | (0.061) | (0.584) | (0.616) | (0.720) | (0.493) | (0.288) |
| FEMALE | 0.223** * | 0.213** * | 0.269** * | 0.295** * | 0.318** * | 0.309** * | 0.299** * | 0.131 | 0.015 | -0.149 |
| | (0.000) | (0.000) | (0.000) | (0.000) | (0.000) | (0.000) | (0.008) | (0.383) | (0.916) | (0.590) |
| OPEN | - 0.051** * | -0.038* | - 0.068** * | - 0.082** * | - 0.091** * | - 0.071** | - 0.073** | - 0.066** * | - 0.068** * | -0.036 |
| | (0.001) | (0.084) | (0.004) | (0.000) | (0.000) | (0.017) | (0.021) | (0.004) | (0.000) | (0.123) |
| DEN | - 0.013** | 0.006 | 0.002 | 0.002 | 0.003 | 0.001 | -0.010 | -0.023* | - 0.033** * | - 0.052** * |
| | (0.042) | (0.363) | (0.695) | (0.767) | (0.656) | (0.889) | (0.446) | (0.072) | (0.006) | (0.000) |

Note : *p*-values appear in parentheses. ***, **, and * denote significance at the 0.01, 0.05, and 0.10 levels.

By contrast, the quantile-varying estimates of the GINI variable derived by the Quantile regression, reveal considerable variation in size, significance and even in sign. In particular, by using the 10% level of significance as a criterion, while the TB variable is associated with an insignificant coefficient at the higher quantiles, from 0.6 to 0.9, it becomes a significantly negative coefficient at lower quantiles levels from 0.1 to 0.5. This shows that higher tax burden is relatively efficient in decreasing income inequality in countries which already have a more equitable income distribution. Therefore, for countries with lower GINI index, an increase in tax burden has impact in improving the distribution of the income. On the other hand, for the countries with upper GINI index, an increase in tax burden decreases income inequality less effectively.

Subsequently, Figure 1 depicts the QR estimates and the OLS estimates. Apparently, as moving up the GINI index quantiles levels, the QR estimates varies widely. Moreover, a comparison of the QR estimates with the

traditional OLS estimates indicates that the OLS estimates underestimate the tax burden effects at the higher quantile levels and obtain the wrong conclusion at the lower quantiles.

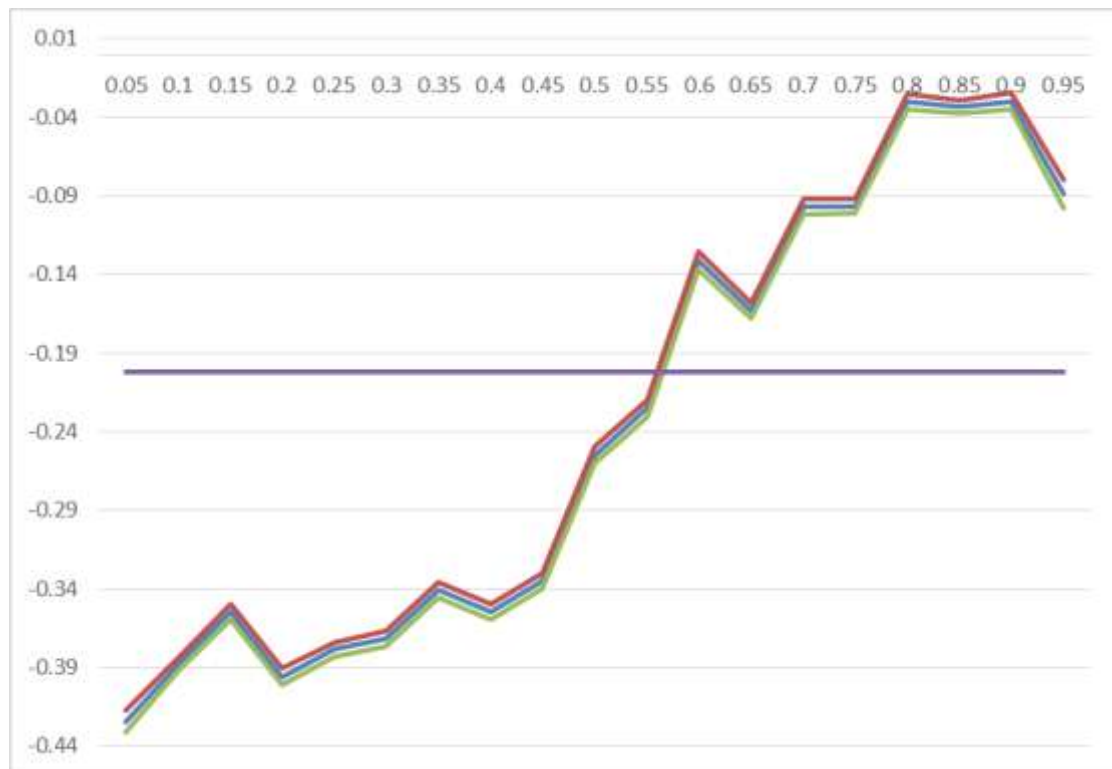


Figure 1 QR estimates with 95% confidence intervals versus OLS estimate

The coefficients for the real GDP per capita, GDP, show a different result: higher real GDP per capita has a much higher impact in lower GINI index than in higher GINI index. This shows that economic development is relatively inefficient in decreasing income inequality in countries which already have a more equitable income distribution. Our results indicate that there is strong evidence that the effect of real GDP per capita is not constant, but varies among the various quantiles. In addition, it is important to note that the effect of female labor force participation rate, FEMALE, is nearly always positive, causing higher GINI index; i.e., higher FEMALE is correlated with higher GINI index. However, the effect of FEMALE is not consistently significant. OLS estimates suggest FEMALE matters quite a bit in increasing GINI, but quantile regression result do not uniformly confirm that. Specifically, FEMALE substantially heighten GINI index, but only within quantiles levels from 0.1 to 0.6.

Greater population density, DEN, lowers GINI index, but not consistently throughout the conditional distribution. This effect appears significant in OLS, but not throughout the quantiles presented. The effect of population density is insignificant in the lowermost quantile, suggesting that within the lower GINI index countries, increasing the size of DEN does not reduce the GINI index.

CONCLUSION

Numerous factors have been considered to assess the causes of income distribution. In this article, we use 566 observations data set of 120 countries in income distribution and tax burden from 1984 to 2012. This study produces some interesting results. The results of estimates of the effects of tax burden on income inequality, presents evidence that in order to reduce income inequality, the government would have to emphasize in its fiscal policy which benefit more countries with low income inequality. In addition, the results showed the relative inefficiency of economic development in reducing the income inequality for countries at the top of the GINI index, where income is less equitable, vis-à-vis countries at the bottom of the conditional income inequality distribution, where income is more equitable.

The quantile results provide some valuable insights to the different relationships that the explanatory variables have with GINI index. For example, some variables such as real GDP per capita, population density and female labor force participation rate have a greater impact across different quantile level. Other variables have a relatively constant effect on GINI index across different income distribution. These include population growth, subsidies and other transfers rate, urban and unemployment rate.

These results add to the body of research explaining how these factors affect the distribution of income. The implication of these findings is that one important means for improving the income distribution of some countries is to drastically change not only tax structure, but also demographic structure.

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Environmental Tax and Economic Growth: New Evidence

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Abstract. The aim of this study is to re-examine the relationship between environment taxes and economic growth, using different measures of environment taxes with GDP as well as net savings. A panel of 22 European countries is used from 1995 to 2014 and the quantile regression approach is applied. Our analysis shows that environment tax decrease economic growth at the top of conditional GDP. This explicitly allows higher-development countries to have a different environmental tax than lower-development countries. The quantile results also provide some valuable insights to the different relationships that the explanatory variables have with economic growth such as population. Some other variables such as net national saving and education expenditure have a significant effect on GDP but there is no clear pattern of the effect across different GDP.

Keywords— Environmental Tax, Economic Growth, Net National Savings

INTRODUCTION

Over the recent past, European Union member states in particular and other countries in general have set voluntary targets for the reduction in pollution and emission of greenhouse gases, which have facilitated the sometimes controversial use of environmental taxes across the world, especially in the EU. As a result of recent concerns relating to the harmful effects of global warming, policy makers have become increasingly interested in the use of environmental taxation as a means of combating the problem, in order to meet targets set at the 1997 Kyoto protocol to reduce greenhouse gases.

Also, during the 1990s, beginning with the Scandinavian countries, there has been a number of attempts to introduce Environmental Tax Reform (ETR) in EU member states. This has involved shifting the burden of taxation away from factors of production to pollution and the users of natural resources, summarized as a move from economic “goods” to environmental “bads”. Again, one of the main ways in which EU governments have attempted to do this is through the use of energy taxes, in order to encourage a reduction in carbon emissions.

To determine whether the existing level of economic growth affects how the various causes of economic growth come into play, we use quantile regression. This technique enables us to investigate whether the relationship between economic growth and the explanatory variables differs throughout the distribution of the dependent variable. Thus, as an alternative to OLS regression, this study uses quantile regression to presents an overview of economic growth and environmental tax. The remainder of this study is organized as follows. Section 2 proposes our methodology and model. Section 3 presents the empirical results, and Section 4 concludes.

METHODOLOGY AND MODELS

Quantile regression (hereafter, QR) is based on the minimization of weighted absolute deviations to estimate conditional quantile (percentile) functions (Koenker and Bassett 1978; Koenker and Hallock 2001; Zietz et al. 2008). For the median (quantile=0.5), symmetric weights are used, and for all other quantiles (e.g., 0.1, 0.2,..., 0.9) asymmetric weights are employed. In contrast, classical OLS regression estimates conditional mean functions. Unlike OLS, quantile regression is not limited to explaining the mean of the dependent variable. It can be employed to explain the determinants of the dependent variable at any point of the distribution of the dependent variable.

Quantile regression generalizes the concept of an unconditional quantile to a quantile that is conditioned on one or more covariates. Least squares minimizes the sum of the squared residuals,

$$\min_{\{b_j\}_{j=0}^k} \sum_i (y_i - \sum_{j=0}^k b_j x_{j,i})^2,$$

where y_i is the dependent variable at observation i , $x_{j,i}$ the j th regressor variable at observation i , and b_j an estimate of the model’s j th regression coefficient. By contrast, quantile regression minimizes a weighted sum of the absolute deviations,

$$\min_{\{b_j\}_{j=0}^k} \sum_i |y_i - \sum_{j=0}^k b_j x_{j,i}| h_i$$

where the weight h_i is defined as
 $h_i = 2q$ if the residual for the i th observation is strictly positive or as
 $h_i = 2-2q$ if the residual for the i th observation is negative or zero. The variable q ($0 < q < 1$) is the quantile to be estimated or predicted.

The standard errors of the coefficient estimates are estimated using bootstrapping as suggested by Gould (1992, 1997). They are significantly less sensitive to heteroscedasticity than the standard error estimates based on the method suggested by Rogers (1993). Quantile regression analyzes the similarity or dissimilarity of regression coefficients at different points of the distribution of the dependent variable, which is economic growth in our case.

In this paper we attempt to explain the empirical relationship between economic growth and environmental tax, we use balance panel data during 1995 to 2014. However, since some countries do not present data for all considered variables we need to discard some data. Table 1 provides the definition of variables and expected impact.

To study the relationship between economic growth and environmental tax, we use four variables: environmental tax (ENV), total population (POP), net national saving (SAV) and education expenditure (EDU). Formally, the estimated equation takes the following form:

$$LGDP_{it} = \alpha + \beta_1 ENV_{it} + \beta_2 POP_{it} + \beta_3 SAV_{it} + \beta_4 EDU_{it} + \varepsilon_{it} \tag{1}$$

Environmental tax and total population are standard determinants that are used in almost every study devoted to the causes of economic growth. The other variables in Eq. (1) have also been used quite frequently in some studies.

Table 1 The definition of variables and expected impact

| Variable Name(Code) | Variable definition | Expected impact | Source of data |
|------------------------------|--|-----------------|----------------|
| <i>Explained variables</i> | | | |
| LGDP | natural logarithm of GDP per capital(constant 2011 US\$) | | WDI |
| <i>Explanatory variables</i> | | | |
| ENV | Total environmental taxes(Percentage of GDP) | ? | EUROSTAT |
| POP | natural logarithm of total population | + | WDI |
| SAV | net national saving(% of GNI) | + | WDI |
| EDU | education expenditure (% of GNI) | + | WDI |

EMPIRICAL RESULTS AND DISCUSSION

All of the results are presented in Table 2. The first column provides the OLS regression results, and the next nine columns provide the QR results for quantiles 10 to 90. First, the OLS slope estimate of the environmental tax is insignificantly at the 1% level. This result indicates that higher environmental tax by government has no effect on economic growth. Secondly, greater population does not affect economic growth insignificantly. Third, a higher level of net national saving is associated with higher economic growth. Finally, the greater education expenditure leads to higher economic growth. However, OLS estimates provide a baseline of mean effects, and we compare these to estimates for separate quantiles in the conditional distribution of economic growth rate.

Table 2 Descriptive Statistics

| Variables | Mean | Median | S.D. | Min | Max |
|-----------|--------|--------|-------|--------|--------|
| LGDP | 10.322 | 10.514 | 0.666 | 8.225 | 11.608 |
| ENV | 2.675 | 2.560 | 0.686 | 1.040 | 5.300 |
| POP | 15.988 | 15.976 | 1.475 | 12.822 | 18.229 |
| SAV | 6.883 | 6.846 | 5.161 | -7.155 | 21.744 |
| EDU | 4.944 | 4.810 | 1.127 | 2.220 | 8.285 |

By contrast, the quantile-varying estimates of the LGDP variable derived by the Quantile regression, reveal considerable variation in size, significance and even in sign. In particular, by using the 10% level of significance as a criterion, while the ENV variable is associated with an insignificant coefficient at the lower/median quantiles, from 0.1 to 0.6, it becomes a significantly negative coefficient at higher quantiles levels from 0.7 to 0.9. This shows that higher environmental tax is relatively efficient in decreasing economic growth in countries which already have a higher economic development. Therefore, for countries with higher LGDP, a decrease in environmental tax has impact in improving the economic growth. On the other hand, for the countries with lower LGDP, a decrease in environmental tax burden increases economic development less effectively.

Greater population, POP, has no effect on LGDP, but not consistently throughout the conditional distribution. This effect appears insignificant in OLS, but not throughout the quantiles presented. The effect of population is significant in the median and uppermost quantile, suggesting that within the higher LGDP countries, increasing the size of POP does improve the economic growth.

Table 2 Coefficient estimates, OLS and by Quantile

| | | Quantile | | | | | | | | |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | OLS | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 |
| C | 8.804*** (0.000) | 7.962*** (0.000) | 6.637*** (0.000) | 6.725*** (0.000) | 7.134*** (0.000) | 7.500*** (0.000) | 8.006*** (0.000) | 8.660*** (0.000) | 11.071*** (0.000) | 12.856*** (0.000) |
| ENV | -0.0672 (0.1392) | -0.0065 (0.9219) | -0.0841 (0.2302) | -0.0878 (0.2037) | -0.0572 (0.1844) | -0.0353 (0.3107) | -0.0236 (0.3983) | -0.0724** (0.0116) | -0.0574* (0.0503) | -0.0671*** (0.0029) |
| POP | 0.0119 (0.5392) | -0.0576 (0.2431) | 0.1022** (0.0456) | 0.1219*** (0.0002) | 0.1147*** (0.0000) | 0.1041*** (0.0000) | 0.0856*** (0.0000) | 0.0594*** (0.0045) | -0.0513 (0.1157) | -0.1280*** (0.0000) |
| SAV | 0.0585*** (0.0000) | 0.0736*** (0.0000) | 0.0400*** (0.0030) | 0.0404*** (0.0000) | 0.0422*** (0.0000) | 0.0436*** (0.0000) | 0.0449*** (0.0000) | 0.0513*** (0.0000) | 0.0451*** (0.0000) | 0.0228*** (0.0086) |
| EDU | 0.2226*** (0.0000) | 0.4053*** (0.0000) | 0.3439*** (0.0000) | 0.2972*** (0.0000) | 0.2451*** (0.0000) | 0.2100*** (0.0000) | 0.1730*** (0.0000) | 0.1653*** (0.0000) | 0.0733** (0.0365) | 0.0268*** (0.2266) |
| R-squared | 0.319 | Pseudo R-squared | | | 0.253 | | | | | |
| Adjusted R-squared | 0.313 | Adjusted R-squared | | | 0.246 | | | | | |

Note : p-values appear in parentheses. ***, **, and * denote significance at the 0.01, 0.05, and 0.10 levels.

CONCLUSION

In this article, a panel of 22 European countries is used from 1995 to 2014 and the quantile regression approach is applied. Our analysis shows that environment tax decrease economic growth at the top of conditional GDP. This explicitly allows higher-development countries to have a different environmental tax than lower-development countries. The quantile results also provide some valuable insights to the different relationships that the explanatory variables have with economic growth such as population. Some other variables such as net national saving and education expenditure have a significant effect on GDP but there is no clear pattern of the effect across different GDP.

The quantile results provide some valuable insights to the different relationships that the explanatory variables have with LGDP. For example, some variables such as environmental tax and population have a greater impact across different quantile level. Other variables have a relatively constant effect on LGDP across different income distribution. These include net national saving and education expenditure. These results add to the body of research explaining how these factors affect the economic growth. The implication of these findings is that one important means for improving economic development of some countries.

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Young Garuda Indonesia (GMI) as Innovation Character Education Program for Elementary School Students

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Abstract. Elementary School as one of the institutions of formal education has a very important role and essential to the formation of national character. To form a mature personality traits required continuous processes and continuous throughout life. This process should start early because at this stage of development of the individual, the childhood phase is the right time to instill the values of character because this will form the basic foundation for further development. Garuda Muda Indonesia Program (GMI) is present as one of the characters early education innovation where students 5th grade elementary school choice that comes from towns and villages to exchange and learn. The activities include the introduction of environment-based learning methods and IT, fun outdoor activities, rural and urban environment study, and making creative works of students. Thus through this program are expected to occur Transfer of knowledge and the transfer of value between students in rural and urban that supports character education destination for Indonesian youths.

Keywords— Young Garuda Indonesia, Character Education, Elementary School

INTRODUCTION

Character education has an important role in the education of all citizens, especially for the young generation in this case are teenagers. If a teenager is yet to experience good character education, it could impact on the decadence or moral crisis. Therefore, the Government of Indonesia to promote re-education of character through Character Development of National Policy Year 2010-2025. This program is a form of revitalization program education undertaken by the government to involve every aspect of life include family, education unit, and community.

Furthermore, character-based education be a national movement started the school year 2011/2012 starting from Early Childhood Education (ECD) to university including the Non-Formal and Informal Education. Character education is absolutely necessary and this process should start early. Manery Freud (2010, p.188) emphasize the importance of childhood events in shaping the personality of an individual, that the beginning of one's life is called as critical period. Failure of instilling good personality at an early age will form personal problems in later adult life.

The explanation affirms that children's education very important in a person's life. The elementary school became the first formal environmental air-face with children and have the potential to educate every mindset, liver, and peri-conduct. Lickona in Easterbrooks & Scheets (2004, p.256) states, "Character Education is the deliberate effort to develop the virtues that are good for the individual and good for society". That is, the character education is a deliberate or planned efforts to develop a good virtue for the individual and the social environment.

Therefore, each unit of education, especially primary schools are expected commitment and integrity to build the character of the nation, one of his through character education integrated to the organized educational process. In the Guidelines for early retirement-tance Character (MONE, 2011, p.4) it is stipulated that the educational process is based on the totality of the psychological character that includes simp-ruh potential human individual (cognitive, affective, psychomotor) and the totality of socio-cultural functions. It was also explained that the configuration of the characters may be grouped into:

- (1) if the heart (spiritual & emotional development);
- (2) if the thought (intellectual development);
- (3) sports and kinesthetic (physical and kinesthetic development); and
- (4) if the feeling and intention (affective and creativity development).

The fourth process is holistic and coherent interrelated and complementary. Each section is conceptual cluster noble values that it contains a number of values.

MONE (2011, p.14) also formulate the implementation of character education that is integrated in SBC, include;

- (1) integration in subjects that exist, that is bound to develop veloped syllabus and lesson plans on the competence that already exist in accordance with the values that have been instated,
- (2) integration of local content adapted-kan with the competencies developed regions / schools
- (3) self-development activities, through conditioning, routine activities, activities of spontaneity, exemplary activities, extracurricular, and counseling.

Integrated character education in school is a strategic program that is expected to overcome the moral problems that exist, continue to be adjusted with the times, innovative and provide a good effect on the child.

Based on this background, in order to support the implementation of character education, the author gives the idea of one character education innovation named Garuda Muda Indonesia (GMI). This program newfangled exchange student between students of elementary schools in towns and villages which focuses on a series of social activities, learning and culture.

IMPLEMENTATION PHASE

Program implementation phase Young Garuda Indonesia (GMI) is as follows:

- (1) Pre-program: coordination of Central Government in this case the Ministry of Education and Culture in coordination with the local government, schools, communities and other interested parties in determining all the completeness of the program
- (2) in program: the program runs according to plan programs that have been compiled together
- (3) Pre Program: monitoring and evaluation of programs.

CIRCUIT OF YOUNG GARUDA INDONESIA

Garuda Muda Indonesia Program (GMI) is present as one of the innovations of character education elementary school where students in grade 5 selection from the towns and villages to exchange and learn for approximately 1 month. The activities include:

- (1) The introduction of environment-based learning methods and IT. The program as a core value, and transfer of knowledge regarding environmental knowledge and technology insights.
- (2) Outbound Cheers. Piaget and Kohlberg emphasizes that a child's moral reasoning is mainly determined by the maturity of his cognitive capacities and social environment is a supplier of materials to be processed actively through social interaction with a playmate so that the child can change his moral orientation. Therefore it would be very useful if children are included in outbound where the agenda is done in order to strengthen and bring students using games that hone media compactness, discipline, dexterity and accuracy of students by completing challenges. This is done in order to stimulate outbound student tenacity in the face of the responsibilities and tasks assigned by the teacher.
- (3) Study arena (rural-urban). This activity is most important in a series of student exchange programs. Study arena will be filled with visiting the various objects that made the center area of education and research. For example, the urban namely Museum, Wildlife Learning, Monuments, Craft Industry and forth while in rural areas such as in coastal areas, conservation areas mangrove forests, lakes, plantations, fish ponds and petambangan, farms, rice paddies, dams (hydropower) etc. This activity will open up horizons of students.
- (4) Preparation of Authorship Students. Students will be guided to create works in the form of physical work and scientific ideas. This kind of activity will provide supplies for students in the work and sensitive to the surrounding environment as well as train psychomotor students. In this case the students are taught how to develop creativity.

CONCLUSION

Innovation character education through the program "Garuda Muda Indonesia" contains social values, love the environment, and the value of the deity in a series such as the introduction of methods and IT-based learning environment, outbound cheerful, rural-urban scene study and manufacture of creative works of students. expected to be incurred Transfer of knowledge and the transfer of value between students in rural and urban that supports character education for the younger generation of Indonesia.

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