THE USE OF ASSISTIVE TECHNOLOGY IN EDUCATION OF PROGRAMMING

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ABSTRACT

Abstract – Problems in teaching and learning various programming languages in computer science and similar studies, regardless of the programming paradigm, are continually present and for the purpose of their minimization many solutions, including various software products, have been proposed. These problems are even more evident in the case of students with different types of disabilities. The number of software tools for education of programming for such students is continually growing, mostly in the case of tools for visually impaired. Many universities are offering various services to help these students in achieving their goals in all fields of study, and students are also directed to use a variety of assistive technologies, according to their disabilities. On the other side, teachers are advised to make their courses more accessible to students with disabilities. The aim of this paper is to discuss to what extent this technology, aimed at all degree programs, can be combined with other elements of education of programming languages through an example of a specific university practice.

Keywords – assistive technology, education of programming, students with disabilities

I. INTRODUCTION

Programming has never been so important because of exponential growth of business systems' complexity. To teach students of computer science studies to program properly has become more important than ever. However, although there is a huge demand for programming experts, many students of computer science studies are reluctant to learn programming and they perceive programming as hard to learn, which is also supported by the attitude of teachers who find programming especially hard to teach [6; 5; 12].

Because of many problems related to learning programming students experience fear and lack of motivation to learn programming which makes the problems even more prominent. As a result, many programming courses report on rather high dropout rates [14]. There are two very important aspects when considering problems that are connected with programming courses. The first aspect is the fact that programming is not only knowledge but also a skill [5] and as such it requires an adequate way of learning which is based on prolonged and continuous learning and a lot of practice. This way of learning has however not been supported by most of students' former education. The second aspect is the fact that students lack problem-solving skills [8], which are required to perform proper algorithmic thinking, which is required to construct proper computer programs.

The problems in programming courses are especially evident in the case of students with various types of disabilities. Students with different disabilities have different types of additional requirements that need to be met in order to try to give students an adequate way of teaching. For example, visually impaired students have troubles with grasping the overall context of the program that is being developed and with perception of different programming constructs. Also, students with disabilities encounter a number of problems in all fields of study, specific to their disability, which need to be resolved. In the first part of this paper, an overview of different aiding software solutions that are aimed at students in general and at students with different types of disabilities is given. In second part of the paper, using Pennsylvania State University as an example, an overview of accessibility implementations and general assistive technology software for students with disabilities, regardless of their field of study, is presented. Possible use of accessibility implementations and assistive technology software to enhance education of programming is discussed at the end.

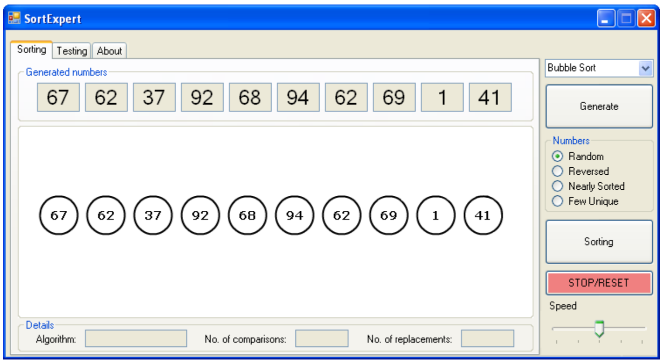
II. AIDING SOFTWARE FOR EDUCATION OF PROGRAMMING

2.1. Aiding Software in General

There have been many attempts to create different aiding tools that are aimed at helping both the students and the teachers to deal with programming concepts. One of the approaches that have been used is incorporation of computer games into programming education. This trend has started in 2003 [10] and many benefits of using computer games have been reported by many authors [2; 13; 9]. Some of more known computer games include Logo programming language, E-GEMS, Immune Attack, Food Force, Discover Babylon, Quest Atlantis and IBM Robocode [2; 9; 10].

In order to try to make abstract aspects of programming more intuitive to students, many different visualization tools have been created with the aim of giving students graphical representations of various concepts and to make these concepts more understandable to students. There are many different visualization tools available and the results of their usage are more or less beneficial, depending on the tool and the way in which it is used. Some of these tools include BALSA-II, XTANGO, JHAVE, BlueJ, Jeliot, TRAKLA2, ALVIS, ViLLE and SortExpert [15; 18] which enables students to have a better and a more interactive insight into different sorting algorithms. This kind of tools can be beneficial to students that have troubles with keeping up with the lectures or require a bit slower pace of learning. SortExpert tool is shown in Figure 1 [18].

Figure 1: SortExpert tool

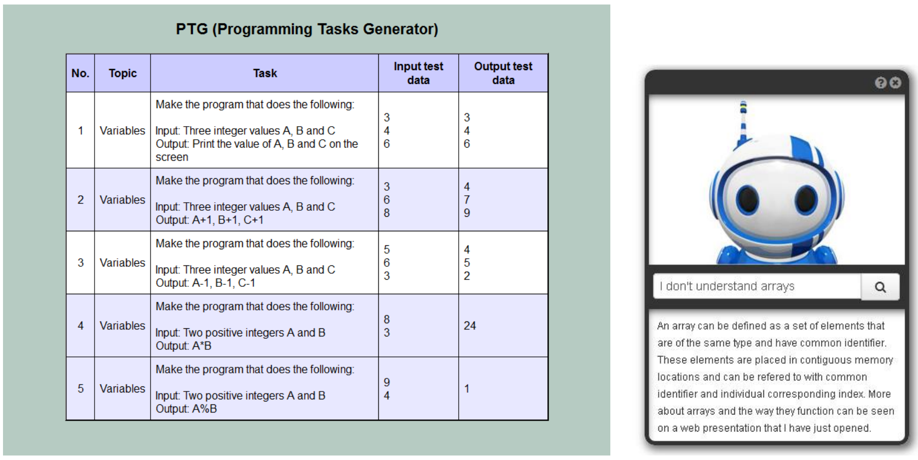


There are also other various approaches to education of programming. Since students frequently have problems with combining different programming elements in order to construct a proper programming solutions, one approach suggest using ontology-based model that provides students with an ontology of programming elements to foster global perspective and perception of relationships that certain programming element has with other programming elements. In this way students are trained in better usage of programming elements and better construction of viable programming algorithms [20].

In order to motivate students to learn programming and to make them more interested in learning programming, an intelligent assistant has been proposed as an aiding tool in programming education [21]. The proposed intelligent assistant enables students to ask questions using natural language and to receive answers to their questions as well as additional materials that intelligent assistant can provide to them. This kind of assistant can be beneficial to all students that require slower pace of learning and paired with voice synthesizer it can be a good aiding tool for visually impaired students. Mentioned intelligent assistant is shown in Figure 2 [21].

To develop a skill students are required to do a lot of practice and to do it alone. In order to encourage students to do their programming tasks on their own and to make educational process less predictable a PTG (Programming Tasks Generator) has been developed and it has shown beneficial results [22]. PTG tool enables individual generation of programming tasks for every particular student and in this way it provides a more objective assessment of their work. PTG tool can be very helpful to students that require more of different programming tasks in order to learn some programming concept. PTG tool is shown in Figure 2.

Figure 2: PTG tool and intelligent assistant



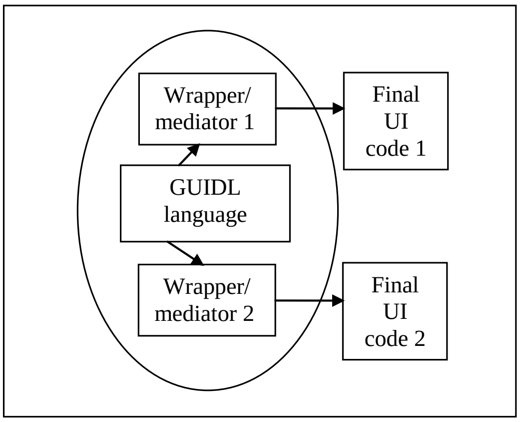
PTG (Programming Tasks Generator)

No.	Topic	Task	Input test data	Output test data
1	Variables	Make the program that does the following: Input: Three integer values A, B and C Output: Print the value of A, B and C on the screen	3 4 6	3 4 6
2	Variables	Make the program that does the following: Input: Three integer values A, B and C Output: A+1, B+1, C+1	3 6 8	4 7 9
3	Variables	Make the program that does the following: Input: Three integer values A, B and C Output: A-1, B-1, C-1	5 6 3	4 5 2
4	Variables	Make the program that does the following: Input: Two positive integers A and B Output: A*B	8 3	24
5	Variables	Make the program that does the following: Input: Two positive integers A and B Output: A%B	9 4	1

2.2. Aiding Software for Students with Disabilities

GUIDL (Graphical User Interface Description Language) [19] is a system that has been developed especially for visually impaired students but can also be used for other programming novices. GUIDL system consists of a special GUIDL language that enables visually impaired students to create their own graphical interfaces. GUIDL language is simple and it also has a number of aiding concepts, such as predefined sizes of graphical elements or predefined positions of graphical elements on the screen. GUIDL system enables translation of GUIDL code into the code of desired programming language, such as for example Visual C#. Conceptual model of GUIDL is shown in Figure 3 [19].

Figure 3: GUIDL conceptual model



APL (Audio based Programming Language) [7] is a special ecosystem for learning the most basic concepts of programming by choosing the desired elements and the desired actions. APL tool supports audio interface and is as such suitable for visually impaired programming novices.

Javaspeak tool has been developed to aid visually impaired in writing Java programs. Javaspeak supports audio description of both syntactic and organizational structure of written program to enable visually impaired programmers to comprehend the overall Java program [1]. WAD (Wicked Audio Debugger) is a special debugger for Visual Studio which has been developed for visually impaired [16]. SODBeans (the Sonified Omniscient Debugger in Netbeans) is a compiler and debugger that has accessibility features in the form of narrative additions to compiler and debugger features [11].

MOST (The MObile Slate Talker) is an environment for Java that has been developed for visually impaired and it enables development of Java programs by usage of audio input and a Braille slate [4].

III. USE OF COMMON ASSISTIVE TECHNOLOGY SOFTWARE FOR EDUCATION OF PROGRAMMING

A variety of assistive technology software is nowadays available as a help for students with disabilities. Along with tools specifically developed to aid in education of programming, a question about which of assistive technology software and in what way can be additionally used for this purpose is also researched. Assistive technology recommended at Pennsylvania State University web pages is used as an example for this purpose.

3.1. Available Common Assistive Technology Software

Student Disability Resources[1] at Penn State is a unit of the Office of the Vice Provost for Educational Equity. Among its services the information about accessibility and usability of various web pages and documents for students with disabilities can be found[2], as well as a variety of various assistive technology software and devices[3,4].

Accessibility tools and documents with universal design are expected to be accessed by all users with different disabilities, such as visual impairment, colorblindness, hearing impairment, impaired mobility or learning disorder. To ensure this, adjustment according to the following principles of W3C Web Content Accessibility Guidelines (WCAG) 2.0[5] is recommended:

- Perceivable – all information must be presented to users in such a manner that they can perceive it (for example, sound for visually impaired)
- Operable – user interface and navigation need to be operable (for example, landmarks for screen reader navigation)
- Understandable – everything on user interface should be understandable (for example, consistent navigation and labels)
- Robust – content can be interpreted by various agents (for example, by assistive technology)

[1] http://equity.psu.edu/student-disability-resources

[2] http://accessibility.psu.edu/

[3] http://equity.psu.edu/ods/assistive-technology

[4] http://clc.its.psu.edu/assistive

[5] https://www.w3.org/TR/WCAG20/

Highest priority for accessibility problems is given to, so called, blockers - images, complex images, titles, headings, link text, tables and forms. Beyond the blockers, problem can also represent course accessibility, foreign languages, keyboard accessibility, Math & STEM, PDF files, multimedia and other issues. Therefore, at Penn State a special attention is given to the detail instructions on how to implement accessible solutions with adjustments and tags. Suggested solutions for teachers are described for university's CMS Angel and CMS Canvas, Box file sharing system, Google Drive, Microsoft Office, PDF files, WordPress, Adobe Connect, Turnitin plagiarism detection and prevention system, VoiceThread multimedia conversation application, WikiSpaces (Confluence) collaborative online material sharing tool, Yammer communication tool, Qualtrics survey tool, chat and e-mail clients and multimedia. Also, various accessibility web page testing tools and methods are recommended, such as reporting tools (for example, WAVE), color checkers, screen readers (for example, JAWS) and keyboard accessibility testing.

Classroom and Lab Computing (CLC), a part of Teaching and Learning With Technology (TLT) unit of Information Technology Services Support at Penn State also provides or recommends special assistive technology resources. Assistive technology software for Windows includes:

- ZoomText – screen magnifier/reader
- JAWS for Windows – screen reader/magnifier
- NVDA (NonVisual Desktop Access) – free screen reader
- Balabolka – free screen reader
- Thunder – free screen reader
- Kurzweil 3000 – document scanner and reader
- PowerTalk – free Power Point presentation reader
- WebAnywhere – free Web page reader
- Read & Write Gold – text reader
- WebbIE – free screen to text translator, works with any screen reader
- Duxbury Braille Translator – text translator to Braille
- Dragon Naturally Speaking – speech recognition
- Livescribe Pen – free audio recorder, handwritten text recorder

Assistive technology hardware is also available, such as special keyboards, scanners, magnifiers or Braille embossers. Figure 4 shows header of TLT Web page in Lynx viewer, which enables it to be read by the screen reader.

Figure 4: Header of TLT Web page in Lynx viewer[6]

Students with specific disabilities have different needs considering assistive technology software use and implementation of accessibility solutions. These needs are:

- Severe visual impairment – screen readers for reading of text, OCR (Optical Character Recognition) software for conversion of images into text files, tagging of web page or document elements
- Low vision – screen magnifiers, special fonts and contrast
- Color deficient vision (Color blindness) – availability of color-coded information in different shapes or line texture or usage of text labels
- Deaf and individuals with hearing loss – presentation of audio information in captions or as text transcripts
- Impaired mobility – speech recognition software, various specialized input devices
- Learning disorders – multimedia tools, simple interfaces, screen readers

3.2. Common Assistive Technology Software in Education of Programming

As described above, students with different disabilities have various accessibility needs and needs for assistive technology software. At Penn State, there are many options regarding these needs. The rest of this section provides a discussion about the extent to which accessibility implementation guidelines and assistive technology software can be combined with other elements to enhance education of programming.

Most of tools developed for help in education of programming are oriented at visualization of specific elements and algorithms so that students can understand individual parts of code and its execution in an easier manner. Such tools can be of help to students with color deficient vision, hearing loss, impaired mobility or learning disorders, but of little or no help to students with severe visual impairment or low vision. Therefore, it is not surprising that tools developed to aid in education of programming are mostly aimed at last two groups,

[6] http://accessibility.psu.edu/accommodations/audience/visuallyimpaired/

as can be seen from examples in section II. Also, all assistive technology software available at Penn State is mainly intended for those students, although students with other disabilities can also benefit from provided software, according to their accessibility needs.

For students with severe visual impairment the use of screen and text readers and speech recognition software is the only option for complete communication with computers, although students with experience can use the keyboard most efficiently, as once stated by a former blind student. On one side, various programming languages are by themselves more or less accessible for visually impaired students and can be used with screen readers or other accessibility options can be implemented [17], but this does not solve other problems that all students, not only those with disabilities, are facing when learning programming. Tools developed specifically for education of programming for visually impaired students either have embedded screen readers or are compatible with existing ones, such as JAWS. The number of such tools is growing and this kind of aiding software shows a trend of becoming satisfactory. On the other side, when testing these tools, authors tend to omit the inclusion of other parts of programming course that could make students with severe visual impairment more independent, allowing them to participate in course more equally and to gain more knowledge. With usage of special tools, other common assistive technology could enhance their education of programming. Guidelines that are proposed for making tools used in education, such as CMS, file sharing and communication systems, software for screen, text, web or presentation reading can ensure access to a large number of course materials and assignments.

For students with low vision screen magnifiers and adjustments of specific elements, such as contrast, font and text layout can solve a lot of issues with course materials and even with regular programming tools or those developed for aiding in education of programming in general. If the disability is color deficient vision, color-coded information can be incorporated in tools used for course where necessary, although usage of regular programming tools should not present an obstacle. But, since tools for aiding in education of programming in general are mostly based on visualization that uses the help of various colors, such tools are less useful in that case.

Deaf and students with hearing loss can benefit of tools for voice recognition during classes, but otherwise should have no issues with course materials of which audio and video materials should be captioned or text transcripts should be made for them. No special programming tools are needed. Students with impaired mobility may not need any special assistive technology for education of programming or can use speech recognition software along with specialized input devices. For various learning disorders, special visualization tools for education of programming can be very beneficial, but there can also be advantage of screen magnifiers and readers, as well as of adjustment of specific elements, for example fonts.

Obviously, students with visual impairments are expected to benefit the most from accessibility implementations and common assistive technology software, which indicates direction of further research. Most of tools with purpose of aiding the education of programming of disabled students are developed for them. Also, most of suggestions for accessibility implementations into course web pages and most of common assistive technology software offered is intended for the visually impaired students.

But, it seems that none of these proposals is taking into consideration all elements that affect education of programming and does not address all issues, which include both problems with various disabilities and common problems of all students in education of programming. Along with specific aiding tools for visually impaired students, other aiding tools and accessibility implementations should be chosen in such a manner that all students with disabilities can benefit from them. These benefits can then be extended to all student population. For example, accessibility implementations for students with learning disorders are useful for all students because they enhance learning in general. Accessibility implementations for students with impaired mobility can also help students with arm injuries.

To explore the extent of actual benefits of common assistive technology software in education of programming and to propose guidelines, specific studies should be made. Since visually impaired students are in focus of most of aiding suggestions, a study with three groups of visually impaired students should give the answers about the role of various aiding solutions in their education of programming:

- Students that have available only accessibility implementations and common assistive technology software
- Students that have available only special aiding tool for education of programming for visually impaired
- Students that have both options available

After research, according to the obtained results, guidelines for combination of various tools, technologies and accessibility implementations in education of programming would help to improve learning and grades of visually impaired students.

Finally, maybe the combination of all aiding options described above should be proposed to fit the needs of all students with disabilities. After research about which assistive technology they use the most, a study of benefits for various groups, as well as for students without disabilities, regarding the problems they face in education of programing would ensure better learning environment and inclusion of all students into the educational process of learning programming.

IV. CONCLUSION

Education of programming has been in focus of research for some time, because it is an important field and various studies have shown that students face many problems when learning to program, regardless of the programming paradigm. Different approaches and software solutions have been developed with the purpose to help students to understand programming concepts in a more suitable way. Also, various tools have been developed for students with disabilities, but mostly for visually impaired. For students with disabilities there are many aiding assistive technologies, regardless of the field of their study, as well as accessibility implementation guidelines.

Discussion presented in this paper has shown that all groups of students with disabilities and also students without disabilities can benefit from various general assistive technology software and accessibility implementations in education of programming. All students may also benefit from aiding software tools for education of programming in general and/or especially for visually impaired students. Combination of various aiding possibilities should lead to improvement of education process, better inclusion and higher quality of gained knowledge.

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VIETNAM'S RETAIL MARKET ENTRY STRATEGIES OF FOREIGN FIRMS AND SOLUTIONS FOR DOMESTIC RETAILERS

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ABSTRACT

As the trend of investment in the retail distribution sector is increasingly growing in Vietnam, many international retail groups have entered the market, providing greater choices for consumers whilst creating intense competitive challenges for domestic players. Recently, foreign investors pour money into Vietnam through Foreign Direct Investments (FDI) to take advantage of the opportunity. In Vietnam, there are about 700 supermarkets and shopping centers. 40% of these are foreign retailers. Out of 125 shopping centers, there are 31 ones of them have been established through FDI accounting for 25% of all the shopping centers. While this opening of markets is contributing to a growing number of foreign retailers into Vietnam, domestic enterprises are weak in many aspects and not well organized. The big question is: what measures are required to enable the domestic retailers to remain viable in the current competition; between the fledgling domestic distribution system, and a party system of foreign distributors with strong financial strength and experience? Our research intends to help individuals and firms interested in Vietnam's retail market have a better understanding of the trends of development of the Vietnam's retail market and maximize benefits of entry into the market. Foreign firms were quick to create major changes including contributing to the formation of a vibrant, rich, diverse and highly competitive market for the trade of goods and services. Up to now, there have been many international corporations and retail distributors present in Vietnam. They include large corporations such as Metro Cash & Carry (Germany), Parkson (Malaysia), Big C (France), Lotte (Korea). It especially intends to highlight business strategies of Korean distribution firms for successful entry into the Vietnam market with a case study of Lotte Mart and its rapidly increasing number of stores and outlets. In addition, it will forecast the development in Vietnam's retail market and propose solutions for domestic distribution systems in competition with the giant retail groups. Therefore, enhancing the competitiveness of domestic enterprises is essential by coping with poor infrastructure, unskilled labor. They must innovate structural management, apply advanced technologies to adjust the form of business organization. In addition, domestic enterprises need to associate and cooperate with each other to enhance better co-existence and development. Although they still retain the upper hand at this stage, the remaining domestic players will need to brace themselves for the competition which is likely to become even more intense in the future.

Keywords- Vietnam's Retail Market, Foreign Direct Investments, Entry Strategies

I. VIETNAMESE RETAIL MARKET STATUS

1. 1. Overview of Vietnam's retail sector

Vietnam's retail market is characterized as being one of the most dynamic markets in the region with high annual growth rates. Hanoi and Ho Chi Minh City were ranked amongst the top 10 Asian cities with great opportunities for retail expansion in 2014. Moreover, Vietnam is now developing and becoming one of the most dynamic emerging countries in the East Asia region. Higher living standards and rising incomes have enabled people to spend more in their daily lives. Although the economy has gone through a difficult period with recession, inflation and trade deficits, it is still one of the markets with great potential for retailers according to the compound annual growth rates.

Vietnam is a promising market for foreign retailers and will therefore have more competition in the local retail market as more foreign retailers gain entry. According to the Association of Vietnam Retailers (AVR), Vietnam has 130 trading centers, 700 supermarkets and over 1,000 convenient shops developed by local and foreign firms, including 21 firms that are wholly-owned by foreign investors. The number of local retailers is not small but, in reality, there are only a few large and successful local retailers. Meanwhile, the domestic retail market has great potential for retailers. The General Statistics Office reports that Vietnam's retail market is recovering, with the opening of many trading centers, supermarkets and shopping malls. Further, the market has attracted many large multi-national corporations. Retail experts note that it is typical to find one trading centre and one shopping mall per 100,000 people, while one supermarket often serves an average of 10,000 people and 1 to 2 convenience shops serves up to 1,000 people. But in the major cities of Hanoi and HCM City the demand is not ensured and there are areas with vacant retail sites. In addition, the current modern retail channel of convenience shops, supermarkets, trading centers and shopping malls have accounted for only 25 per cent of the domestic retail system, where the traditional market is still the most popular shopping channel. Compared with the region, the coverage of modern retail sector in the country is much lower than in the regional countries, such as 33 per cent in the Philippines, 34 per cent in Thailand, 51 per cent in China, and 60 per cent in Malaysia, besides 90 per cent in Singapore. Vietnam, which plans to increase the rate of modern retail channels to 45 per cent therefore, attracts a lot attention from foreign retailers.

Vietnam ranked 28th in the 2014 Global Retail Development Index (GRDI) published by A.T. Kearney, which identifies the top 30 developing countries for retail investment. Vietnam's retail market is growing in double digits, driven by favorable demographics, falling inflation, and a more attractive business environment resulting from lower trade barriers and reduced corporate tax rates. Vietnam was unranked in 2015 but held the top spot in the GRDI as recently as 2008, and ranked 28th in 2014. Most modern retail is concentrated in a handful of cities, but many retailers plan to expand beyond larger cities. Vietnam's Ministry of Industry and Trade is targeting modern retail penetration of 40 percent by 2020. Non-grocery categories are showing impressive growth, and supermarkets and hypermarkets are expanding their non-grocery offerings to meet this demand. Several regional players entered Vietnam in 2013 to tap into low-cost production and the large customer base, including Thai sporting goods chain Supersports, Japanese electronics retailer Nojima, and Thai trading company Berli Jucker. In the near future, more international retailers are expected to enter Vietnam's market.

1.2. The attraction of Vietnam's retail market

1.1.1. Young population with high growth rate

Vietnam's stable economic growth rate and population size of approximately 90 million people provide an attractive backdrop for development of the retail industry. 70% of the population is currently aged between 15 and 64 years, and this is projected to continue to increase. Over the next 10 years, about 17 million people whose age is between 10 and 19 at the moment will enter the consumers' market. These figures show that

Vietnam is holding a "golden" retail index and this will spur the demand for greater choice in products, brands, and product categories.

1.1.2.Urbanization

In 2014, 32.95% of Vietnam's population was concentrated in cities, has increased from 6.27% since 2004. According to Central Intelligence Agency (CIA) Vietnam's urban population was 33.6% of total population in 2015. This is expected to increase to 45% with nearly 940 urban areas by 2020. Most modern trade players focus initially on setting up in urban areas, such as in and around Hanoi and Ho Chi Minh City, making access to such modern retail formats easier for the urban population than for their rural counterparts. With increasing urbanization, the modern retailer will soon have greater opportunities to extend its reach into previously untapped markets.

1.1.3.Rising income and purchasing power

Disposable income in Vietnam has increased significantly in the last decade, and is expected to keep growing. According to a research of Boston Consulting Group, the middle and affluent class (MAC) in Vietnam will double in size between 2014 and 2020, from 12 million to 33 million. MAC consumers, whose income is from VND15 million (US$714) or more a month, are also spreading out to other provinces and cities. By 2020, Vietnam's average per capita income will rise from $1,400 to $3,400 a year. This increase in income will likely lead to a subsequent rise in purchasing power and growth in consumer retail spending. In additional, a survey of Boston Consulting Group (BCG) Center for Consumer and Customer Insight (CCCI) also pointed out that Vietnamese consumers, of all incomes, enjoy the hunt for deals, discounts and promotions, more so than other consumers in Thailand and Myanmar. This shows that Vietnam's market is a potential market for both domestic retailers and foreign retailers.

1.1.4. Legal policies

If distribution service market in Vietnam is the particularly attractive market to foreign investors, retailing service has been considered to be one of the most tempting parts showing remarkable growth rates even in the most difficult periods of the economy. Therefore, it's not surprising when distribution service in general and retailing in particular is the field attracting partners' most requirements in negotiating and implementing international trade commitments of Vietnam. Vietnam has a pretty open viewpoint to approach this issue. This has been regarded as the characteristic throughout almost all of Vietnam's commitments to open distribution and retailing channels in Vietnam so far.

1.1.5. WTO membership

Foreign investors have been allowed to own 49% of capital in joint ventures since 2008. In early 2009, fully foreign-owned companies could also be established and were allowed to operate in the market independently, leading to the entrance of many foreign retail outlets. In addition, under the WTO agreement, Vietnam will allow foreign retailers to set up businesses with 100% foreign capital from January 2015. With their rich experience, abundant capital and modern strategic operating methods, international retail groups have gained increasing popularity in the market and brought on intense competition for the domestic retailers, pressuring the latter to modernize in order to contend with the new players.

1.1.6. Trans-Pacific Partnership (TPP) and ASEAN Economics Community (AEC)

Vietnam is a member of the ASEAN Economic Community and was successful in negotiations to participate in the Trans-Pacific Partnership (TPP). After ASEAN Economics Community was officially ratified in 2015, the door for the ASEAN market has opened wider, with many products enjoying an import tax rate of 0%. In addition, Viet Nam as a member of AEC will connect the country's market with a single regional market of 600 million consumers. The Trans-Pacific Partnership Agreement will bring more than 10,000 kinds of goods from 12 member countries at 0% tariffs, when TPP agreement takes effect in 2018. Therefore, the new foreign retailers are looking to enter the Vietnam's market to catch benefits from TPP agreement and AEC membership. Current retailers seeking to expand their scale, such as AEON Mall (Japan), Central Group (Thailand), and Lotte (Korea), CJ Group (Korea) have expressed great interest in gradual expansion of their presence and have announced long-term plans for the market.

1.1.7. Other regional Free Trade Agreements (FTAs)

Vietnam has participated in a number of FTAs such as the ASEAN-China Free Trade Agreement, ASEAN-Korea Free Trade Agreement, ASEAN-Japan Comprehensive Economic Partners, ASEAN- Australia-New Zealand Free Trade Agreement, Vietnam-Japan Economic Partner Agreement, and Vietnam-Korea Free Trade Agreement which may impact the Vietnam retail market due to tariff commitments. For example, when companies are allowed to take advantage of lower or zero tariff rates. This arrangement allows companies to manufacture goods in Vietnam and export them to neighboring countries where manufacturing costs would have been higher.

1.1.8. Economic Needs Test (ENT)

Currently, a foreign retailer must obtain a business license, which entitles it to open a single retail outlet. Opening additional outlets will subject it to the ENT. During the ENT process, the licensing authority will examine the compatibility of the project with the population density, number of retail outlets and market stability in the district, as well as the district's Master Plan and scale. However, as of June 2013, a change via Circular 08/2013/TT-BCT provided an ENT exemption for foreign investors looking to establish additional retail outlets of 500 square meters or less in an approved area and completed infrastructure. Whilst foreign investors are still required to obtain a business license for additional retail outlets, the latest Circular provides a great improvement in the process and is a significant development in attracting foreign investors.

1.3. Status of foreign retail enterprises in Vietnam.

The local conditions make Vietnam one of the best places to invest in the modern distribution channel. In recent years, foreign distribution corporations have entered the Vietnamese retail distribution market. After eight years as a WTO member, Vietnam has attracted most of the world and region's leading retailers such as Metro Cash & Carry (Germany), Big C (France), Parkson (Malaysia), Circle (the US), Lotte (South Korea), Aeon (Japan) and FairPrice (Singapore). Two Thailand giants Berli Jucker and Central Group have recently implemented their projects in Vietnam. Big C recently opened more than 10 C-Express stores nationwide. Singaporean Shop & Go has been in Vietnam since mid 2005 and became the largest convenient store chain with 110 stores, followed by the US's Circle K with over 70 outlets in Ho Chi Minh City.

After researching the market in Vietnam, many Japanese investors such as Auchan and Aeon have vowed to spend millions of USD opening supermarkets in Vietnam, competing with those already having a certain market share like Big C, Metro, Parkson and Lotte. The "rushing" of Japanese retail businesses to Vietnam market was predicted earlier. In the conference "Vietnam market in Japanese companies' view", Brainworks Asia noted that from 2013 onwards there will be wave of Japanese enterprises mainly in the service sector coming to Vietnam. Besides Japanese retailers, Korean retailers are also expanding the coverage in Vietnam market. After 5 years of conducting the survey, market research, Korean discount store E-Mart (owned by Shinsegae) opened its first outlet in Vietnam on 28th December 2015 in Go Vap District of Ho Chi Minh City, near the airport.

In early 2016, Thai tycoons started increasing the speed of acquisitions in the wholesale and retail system of Vietnam. Recently, Thai groups - Berli Jucker Corporation (BJC), owned by the second-richest billionaire of Thailand and the Central Group declared their wish to acquire the Big C system. Earlier, Casino Group (France) had declared the sale of the Big C supermarket chain in Vietnam, which Casino did not consider as its key business. BJC announced that it would pay nearly $880 million to acquire 19 wholesale stores and the portfolio of real estate of Metro Cash & Carry Vietnam. In the end, this deal was successful and BJC owned Metro system. According to the most recent information Central Group succeeded in the acquisition of Big C. As such, Thai tycoons are now in control of the two largest retail systems in Vietnam.

Thai groups have made a pretty good move through which they can reduce the costs involved to build a new brand from the beginning, thus save time, money and effort. To develop a new retail brand, in a market with many big brands, the competition would be very fierce. Getting a new business license in the retail sector is also complex and difficult for foreign investors. The brands that Thai groups bought and want to own are huge and have a long history. For example, Metro has been in Vietnam since 2002 and Big C since 1998. These brands have distribution systems that stretch across the country, which have become very familiar to Vietnamese consumers. Thai investors have chosen the shortest way to success; they are investing large sums of money from the beginning. Not only Thais but many international investors have been using similar techniques.

Some of the largest retailers in the world are present in Vietnam thereby creating a highly competitive retail market. Foreign retailers are not only competing against each other but also compete against local retailers. This means that is these retailers do not have business strategies to develop in light of the increased competition, foreign retailers can lose at any time.

II. Vietnam's retail market entry strategy - Focus on Korea's Lotte Mart Case

Lotte is the 5th largest conglomerate in South Korea, which started as a confectionery company nearly 50 years ago. Lotte has expanded operations to various diverse sectors such as distribution, food processing, petrochemicals, construction, entertainment, and tourism. Lotte entered Vietnam in 2008 and in the first five years Lotte supermarkets (Lotte Mart) appeared only in the southern provinces. In 2014, the Korean retail giant marched to Hanoi to open its first mall on an area of 20,000m2. Lotte Mart currently has 10 department stores in Vietnam. It aims to have about 60 stores spread throughout the provinces of Vietnam by 2020. Compared with other large retailers, even though the time since they entered the Vietnam market has not been long, but with the right strategies, Lotte Mart has gotten strong foothold in the retail market in Vietnam.

1.1. Mergers and acquisitions (M&A) strategy

South Korea's leading retailer Lotte Mart had plans to strengthen its presence in Vietnam by taking part in all modern retail channels through mergers & acquisitions (M&A) activities in Vietnam. Regarding the M&A tendency, many retailers are seeking to boost their presence in Vietnam through M&A deals. For instance, as mentioned above, Thailand's Group has acquired Germany's wholesale store chain Metro Cash & Carry in Vietnam and Vingroup (Vietnamese retailer) has purchased a major stake in the Ocean Mart retail store chain.

In March 2015 the brand Lotte Mart acquired 70% stake in Posco (another Korean business) involved in commercial buildings, offices and luxury apartments Diamond Plaza located in district 1, HCM City. This acquisition reaffirms the M&A strategy of Lotte Mart in the retail sector in Vietnam. Diamond Plaza was opened in August 2000 and was valued at US$60 million. It was a joint venture between local developer Construction Corporation No.1 and Korean steel company Posec, a subsidiary of steel maker Posco. It's high profile 20-story tower housing a multi-level department store, food court and other retail facilities, along with offices, a medical centre, cinema and apartments. This was one of the focal points for the modernization of the HCMC because it is located in a prime location. After changing feet at Diamond Plaza Posco, it is likely that a trade center Lotte Mart will appear there in the near future. Acquisitions of 2/3 shares of Diamond Plaza is the next step in the strategy of Lotte Mart to strengthen investment activities in Vietnam through modern retail model, mostly done by M&A, similar to the investment strategy of Lotte Mart in the retail industry in China and Indonesia. The group acquired Makro hypermarket chain in China in 2007, developing a network of over 100 outlets. Similarly, the group also acquired Makro system in Indonesia and has opened around 40 centers so far.

In another transaction that is not yet officially released, Lotte has purchased two Pico Plaza branded shopping centers in Hanoi and Ho Chi Minh City and rebranded them Lotte after converting the supermarkets into Lotte Mart hypermarkets. Currently, Lotte has invested 10 Lotte Shopping malls in Vietnam and strategic M&A is continuing to promote the implementation of plans to open 60 supermarkets in 2020.

1.2. Localization strategy

Mr. Hong Pyong Gyu, the CEO of Lotte, said that "In retail, understanding the new consumer culture is the winner. If Big C, Metro style of European consumers is compared with Korean consumers, the Korean style has many similarities with Vietnamese". Vietnamese customers prefer to shop promotional goods, the products of good quality but reasonable price. Foreseeing this mentality, the managers of Lotte Mart has cooperated with local suppliers to create products that fit the needs and personality of the Vietnamese customer and also offer the most competitive prices.

When it joined the Vietnam market, Lotte Mart wanted to develop extensive distribution sector and retail in two aspects. First, development of export markets for Vietnam merchandise through supermarket chains globally such as in Korea, China and Indonesia. Secondly, by collaboration and support growth along with the domestic retail business. Lotte Mart is continuing to reduce the proportion of imported products to turn the system into a Lotte Mart supermarket chain selling Vietnamese products. 95% products of Lotte Mart are imported from selective firms. Along with many discounted offers, frequent promotion as well as loyalty programs, Lotte Mart confirm their merchandise quality are always at the top while the prices remain competitive. Along with the strategy put more Vietnamese goods in the supermarket, Lotte Mart also follows the trend began with the Vietnam enterprises to produce goods bearing its own brand (PB - private brand), with criteria good quality, suited to locals' taste, competitive price; particularly, from 330 products in 2011 to 800 products in 2014. Also, Lotte Mart pledged to support Vietnam exports to the Korean market and internationally, through the commercial center of Lotte Mart.

One of the most important strategies of Lotte Mart in Vietnam is private brand. Lotte Mart is the Lotte Mart's typical brand with reasonable price, high quality products comparable to the leading domestic retailers. In addition to this, Lotte Mart's "Save with cheap price and Lotte Mart Extreme" was a special & memorable brand meant to attract customers with its uniqueness. Moreover, during the holiday season, Lotte Mart has their own products that suit the Vietnam's events, for example the supply of Moon Cake in Mid-Autumn festival or Tet Gifts for Lunar New Year.

1.3. Characteristic strategy

Shopping malls are a relatively new concept in Vietnam, and these may include a hypermarket, a supermarket, a department store, a cinema and special stores. Lotte Mart located in HCM city District 7 can be qualified as a shopping mall, and there's also one Lotte Mart being built in Hanoi. Convenience stores serve daily demand for sundry items, and can be found in all streets. Customers can easily get water bottles or other petty items such as toilet paper, shampoo, tissue and you-name-it. To differentiate from local supermarkets, Lotte Mart has added a culture/convenience facility consisting of a movie theater, cultural center, and bowling alley. Lotte Mart located in HCM city District 7 boasts a multi-complex blend of shopping and cultural activities unseen in local rivals, as the three-story building houses the store and cultural centers from the basement to second floor, while hosting the Lotte Cinema, family restaurants, bowling alleys, pool rooms, and other convenience facilities on the third floor. These exceptional facilities have established Lotte Mart located in HCM city District 7 as Vietnam's top cultural shopping center. The difference of Lotte Mart is a trade center complex service including shopping and entertainment. Lotte Mart's customers can shop, can eat, watching movies, playing games... These are utilities that other shopping centers do not have. These differences have attracted customers come to Lotte Mart. These are reasons why Lotte Mart has had stable revenue in a retail market that has too many players.

III. Effect of foreign distributors to Vietnam retail market and solutions for the domestic retailers.

1.1. Effect of foreign distributors to Vietnam retail market

1.1.1. The impact on the domestic retail business

The interest from retail groups in the world that have great financial strength, distribution experience, organization and modern management is becoming a challenge for domestic retailers. Domestic enterprises have to face a lot of challenges, compete with foreign firms in order to regain maintain their market. The risk of domestic retailers becoming weaker in the race for market share with foreign firms is becoming clearer.

The risk of "losing the game" is shown most clearly in the retail market as opportunities for Vietnamese businesses in this segment are increasingly shrinking. According to Savills, in the 3rd quarter of 2013, about 4 commercial centers and supermarkets in Hanoi had to close down for restructuring and/or to change their business models. They are Hang Da Galleria and 3 big supermarkets that is Ba Dinh, Ha Dong and Dong Da. Commercial centers in prime location are also facing difficulties. For instance Cua Nam Commercial Centre has a high rate of unoccupied booths. Cho Mo Centre had to delay its opening ceremony because the number of tenants was insufficient. Mipec Mall has been in operation for a long time but because of similar issues of insufficient tenants it had to restructure itself and allow Lotte Mart to rent an entire 4 floors with a total area of 20,000m2.

Ho Chi Minh City markets are facing the same problem, as the number of visitors is big but the number of buyers is small, while the cost of the retail business is growing steadily. Being a potential market makes the retail market a place of stiff competition for market share, in which, Vietnam enterprises still face disadvantages due to inadequate capital and lack of experience in the business sales and market development. However, many local businesses are still confident when faced with foreign enterprises.

The presence of many foreign retailers will increase competition for local retailers, prompting them to change to co-exist and develop. Besides, the arrival of foreign firms also bring many valuable opportunities for domestic enterprises to learn from the development experience, access to the experience of management and organizations and business methods of the modern business world. It also forces domestic businesses to invest, to adapt to change. Therefore these local enterprises should attempt to rise up and continue to race in the competition and stand in the market.

1.1.2. The impact on the domestic manufacturing enterprises

When foreign businesses enter Vietnam, they will drag their manufacturers along with them. Therefore they will require stricter conditions for domestic manufacturers who want to participate in their distribution channels. Whereas, in the past dozen years, domestic enterprises invested efforts and resources to develop its distribution network in the traditional distribution system as the retail markets and shops, now traditional distribution networks have been shrinking and are being replaced by a modern distribution system of supermarkets and large commercial centers. Obviously their competitive advantage has gradually weakened. Foreign multinationals build commercial centers and supermarkets and this has created pressures and barriers in areas such as credit, promotions, and terms of delivery for manufacturers inland. As a result only a few strong brands and a small number of strong domestic companies will be able to withstand this competition is. Moreover, when the system of commercial centers, supermarkets giants from overseas grow, the result is a surge of foreign products. Brand products originating from abroad could gradually overwhelm the domestic brands.

As mentioned above, a Thai group acquired Big C and Metro systems. Previously when Big C and Metro were held by French and Germany investors, local businesses were not very worried about the flood of goods from France and Germany because of the geographical distance, the different positions of their goods compared to Vietnamese products, and the difference of the economic structure. But since these distribution channels now belong to Thai investors, it is a risk for Vietnamese businesses because Thai products have good quality, competitive price and have gained the confidence of Vietnamese consumers. The close geographic proximity and the open policies on tariffs of the ASEAN Economic Community (AEC) will enable the flood of Thai products in Vietnam in the coming years. Recently, Nikkei (Japan) news agency said that Thai products are gradually supplanting Chinese goods in Vietnam. The number of shops specializing in Thai products in Hanoi and Ho Chi Minh City is growing at a more competitive speed. Realizing the situation, many retailers operating in Vietnam such as Aeon and Lotte Mart have increased the number of Thai products.

1.1.3. *Impact on consumers*

Foreign enterprises in Vietnam have brought an opportunity to reach consumers, to learn and adapt to the modern format of shopping and changing their consumption habits. Consumers will have more opportunity to choose by the amount of goods on the market is very large, extremely rich and varied, with many originating from countries around the world, not merely from domestic. The competition for market share between domestic and foreign enterprises have pushed commodity prices go down, improve the quality of services, promotion forms ... are beneficial to consumers. They will have the opportunity to choose the products and services to ensure health standards and food safety. Moreover, there is no shortage of goods in the high season as holidays.

1.2. Solutions for the domestic retailers.

Enhancing the competitiveness of domestic enterprises is essential. In conditions of economic integration, enterprises operating in the retail distribution services are weak and in many respects they have proved unstable and not ready to cope with the new challenges of competing with international corporations. This is partly due to the fact that domestic retail enterprises have many challenges such as, poor infrastructure, unskilled labor among others. Therefore, when contemplating the economic environment which has become more competitive, domestic enterprises and entrepreneurs face a lot of difficulties. If they do not find solutions to overcome these weaknesses and to cope with the new demands, they run the risk of going out of business.

1.2.1. Association and cooperation among Domestic retailers

The current local retailers who run small size business should associate with each other to share their experiences and discuss finance options that can help them to find better locations and expand the size of their businesses in order to generate higher performance. While competing with foreign businesses determinants of the survival of a national distribution system lies in the ability to identify the business links and risks involved. In the future, if the domestic distribution businesses are not affiliated with each other, the inevitable trend is for them to be sold to the foreign distribution groups. If they want to continue to operate, they must link with each other to build themselves into a chain of stores or supermarkets with uninterrupted link to manufacturers to ensure the quality and number of inputs.

1.2.2. Understanding domestic market

Foreign giants are not always successful in overseas markets. For example, Wal-Mart and Carrefour, the two leading retail groups in the world, had to shut down operations in South Korea due to the difference in buying habits of the locals. In Germany, Wal-Mart, with the slogan "low price every day", cannot compete with Metro. A similar story has played out in China, where Wal-Mart is struggling to survive after key personnel quit. Wal-Mart is forecast to follow the footsteps of Home Depot and Best Buy, which have already pulled out of the Chinese market. Therefore, local retail businesses still have their own strengths, and the most important thing is know how to make the best use of those strengths. Domestic retailers need to take advantage of their knowledge of the local market; taking advantage in home market. Whether the retail group has focused investment in market research, it is not possible to understand the Vietnam market better than the domestic enterprises. The understanding of the market is a huge strength of the domestic enterprises. They understand the market, the Vietnamese consumer, Vietnamese culture, as well as practical ways of trading that takes a long time for foreign retailers to learn. Ability to utilize that information and take advantage of home market, domestic enterprises can compete with strong foreign corporations. In the coming period, in order to compete and retain its position, besides fully exploit the advantage of familiarity, capture consumer tastes of the people with sensitivity and prices, quality service, retail businesses have to innovate methods of business management towards modern business models and offering professional services.

1.2.3. Human resource improvement

Employee skills play an important role in generating high customer satisfaction and loyalty. However, majority of Vietnamese retailers have moderate skilled workforce. Therefore retailers should consider introducing training courses and have good employee motivation policies in order to create a more professional sales force. In term of executives, they should try to actively enrich their experience by leaning from global retailers and the development history of this industry in other countries. Another way forward is for the retailers to cooperate with universities in specific training of both operations staff and executives.

1.2.4. Technology improvement

Technology is a key factor in creating higher efficiency and financial based performance. However the common situation for most Vietnamese retailers is limited capacity in this matter. This is something that must be taken into consideration because of its important role in retail operations. Domestic retailers need to apply modern technology to improve the quality of management and operations of the business. Reasons why retailers should apply to e-commerce in business include benefits such as quick information updates, accuracy, optimal labor productivity and general reduction of operating costs. In the current trend of booming information networks, e-commerce is the most effective solution to shorten the distance and space and time, expand cooperation, manage and operate the business quickly and timely at the most reasonable costs.

1.2.5. Expand the market to rural areas

Domestic retailers should expand the market to rural areas where there is a potential market of about 60 million people. Rural markets will become more active in the process of urbanization. Everyday day one person buy goods worth VND 1,000 the total retail sales in this region can increase by 60-70 billion VND. Besides, when extending to rural markets, domestic enterprises will win the priorities of location, space and development policies of local and state agencies.

1.2.6. Diversified product line

The diversification in product line can generate better financial performance. This is a suggestion for domestic retailers who have limited product line by looking for other efficient investment portfolio in product line. A deep and wide product line is an attraction for retailers to appeal to different kinds of consumers and also to diversify their investment portfolios to get more profit. Creating diverse business styles is essential to meeting different customer classes.

IV. Conclusion

Together with the recovery of the world economy and the sustainable development of Vietnam's economy, some of the largest retail groups in the world have opened operations in Vietnam. They dominate the capital scale, retail experience, experience in building supply chains, developing markets that have opened in the Vietnamese retail market recently. Many transfers, mergers and acquisitions among Vietnamese retail businesses and great retailers from abroad that have been happening. For the domestic retailers to gain a competitive advantage against these foreign competitors, Vietnamese enterprises need alliances, cooperation and collaboration to increase the size of capital, to build sustainable supply chains, enhance sharing and exchange of practical experience, management experience, improve the quality of human resources, build professional working style, innovative thinking and adapt to changing business environment in order to improve competitiveness.

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A STUDY ON THE RESPONSE OF EUROPE TOWARDS REFUGEES: FOCUSED ON THE REFUGEES FROM FORMER YUGOSLAVIA AND SYRIA

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ABSTRACT

These days, the European Union(EU) is facing the biggest challenge from refugees problem.

Suddenly increased refugees resulted from Syrian civil war, swarming over to the EU and is suffering general fatigue and the Mediterranean coast, the European Union, EU leaders held an emergency meeting and measures and certainly hadn't found a solution but to discuss revised down.

Europe is now ahead of a civil war in Yugoslavia, is due to have gained even at the time of the many refugees. Of course, Europe at the time of social and economic situations of European society now and there are several difference from each other in the same status as refugees but in spite of Yugoslavia. Obviously there is a difference for the attitude of the EU to accept refugees and Syrian refugees.

This study, the European Union and international refugee conventions and information on refugee protection, observing and Yugoslavia, the civil war refugee situation and now Syria for refugees. To see things and accept to compare the positions of the European Union.

Refugees deserve to have human rights protected and the international community's attention and support is needed. Currently, many Syrian refugees that come to the European Union is working together international society by sharing the responsibility and moral obligations to Syrian refugees.

THE DIGITAL DIVIDE IN BASIC EDUCATION AND ITS RELATION TO ACADEMIC PERFORMANCE AND ASPIRATIONS

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In the midst of an increasingly digitalized society, information and communication technologies have been seamlessly integrated into the economic, social, and political life of individuals. Information has been regarded as a primary good, essential to the wellbeing and self-respect of individuals in society. The digital engagements of an individual play a key role in a variety of life outcomes ranging from academic performance to entrepreneurial success to health service uptake. As a result of varying degrees of access to the Internet and ICTs across populations and individuals, a digital divide emerges. Education, a sector pivotal to directing individual life trajectories, has been radically transformed with regards to the learning process and access to information and thus faces the implications of the digital divide, as new waves of inequalities are introduced in the classroom. As the period of basic education is critical to transitioning into civic life or higher education, digital inequalities are capable of aggravating pre-existing social inequalities. This quantitative study, conducted in a Philippine public school, reveals the correlation of academic performance and aspirations (for their highest academic qualification) of high school students to access to digital technologies and the Internet, according to Van Dijk's four measurements of digital poverty, namely: *motivational access*, *material access, skills access*, and *usage access*. The findings reveal a positive correlation for academic performance whereas no correlation was found between aspirations and digital access. In the study, significant correlational differences were also found between genders, specifically, in terms of skills access and academic performance.

***Keywords**: digital divide, ICTs, inequalities, education, life trajectories*

UNDERSTANDING THE IMPACT OF ORIENTALISM FOR INDONESIA AND THE IMPORTANCE TO CHANGE ITS NEGATIVE STEREOTYPES

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ABSTRACT

The term of orientalism was deemed important for the people of the East. It has built negative stereotypes globally, including Indonesia. The term was initiated by Edward W. Said from his magnum opus, Orientalism (1977), as a respond to the people of the West and other orientalism thinkers who thought the people of East as an inferior and the people of West as superior. Many of them were also skeptical to Islam religion. These perspectives have affected to all levels of living of East people and many of them didn't have the basic information of orientalism, not realizing its effects to their lives. Orientalism also has given contributions to what Said called as 'post-colonialism'. This paper aims to examine the impacts of orientalism to the condition of social and politics in Indonesia, a country that contains the largest Muslim population of all countries in the world. This paper also formulates the importance to abolish those perspectives to avoid hegemonic rules and influences from the West with the objections from Edward W. Said's thinking.

Keywords*: Orientalism, Stereotype, Post-Colonialism*

HEDGE AND PERFORMANCE ON RISK OF CLIMATE CHANGE: EVIDENCE FROM ELECTRIC

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ABSTRACT

This paper empirically analyzes the hedge strategy and performance using tools of weather derivatives in financial market to avoid environmental risk due to climate change in Korea which is main country among emerging countries. Recently climate change is main global issue and also it is challenged to mitigate much environmental calamity. Then we need to find solution to avoid the calamity risk due to climate change. We focus on electric industry in Korea, because electric industry usually spends much fossil fuel to generate electricity which is main background to operate all industries. It has been known that a weather derivative recently has been developed to hedge and avoid the environmental disaster through climate change. We acknowledge that a weather derivative financial product has several advantages to hedge environmental calamity. First, weather derivatives product provides the new idea to lessen environmental risk due to climate change instead of modern insurance policy. Need to avoid natural disaster is remarkably increasing because frequency of natural disaster hugely increases and also many firms are suffered from damage through climate change. Therefore, we expect that risk management by utilizing weather derivatives due to gradually increasing climate change is very important. In this paper, we empirically implement testable model to find hedge ability and performance in specializing Korean electricity industry. As a result, we find as follows. First, it provides that there is huge hedge demand in electricity industry. Second, when HDD futures and options are used in hedge rather than no-hedge, we find that cost is saved and no excess evidence given allowed risk. This evidence implies that for Korean financial market, there is an advantage for introducing weather derivatives product and then it has ability to risk hedge. As matter of fact, mostly firms extend their investment area and individual investment also makes more investment area. Based on this evidence, we document that all participants in market have big benefit and more easily risk management. Our results indicate that a weather derivative is very useful tool to hedge risk of climate change and applied to another industry.

Keyword: Climate Change, Weather Derivatives, Hedge, HDD futures and Options

Introduction

"The climate crisis is real. The earth is warming. Scorching heat waves, severe rains and frigid colds - such extreme weather events are affecting human life in so many ways. As Secretary-General Ban stated, climate change is the great challenge of the 21st century. And we must rise to the challenge."

- President Park speech of South Korea's at U.N. on climate change, 2014.9.23. - 박대통령, UN 기후정상회의 기조연설문

Today climate change is hot global issue and has to be solved.

Munich Re(2010)의 보고서에 의하면 최근 60년 동안 전 세계적으로 대규모 자연재해 발생 횟수와 피해액이 지속적으로 증가하여 왔고 미래 기후변화에 따른 전 지구적 이상기후로 막대한 경제적 피해가 1994년~ 2005년 동안 2,000억 달러 이상 발생하였다. 더욱이 이러한 현상은 향후 기상재해에 따른 경제적 피해가 2,100년까지 세계 GDP의 5□20%에 달할 것으로 추정되었다.

한국의 경우도 이상기후로 인한 피해에서 예외는 아니다. 한국의 연평균 재산피해액의 경우 기상청에 의하면 2001년~2008년 기상재해에 따른 피해액은 약 2조 3천억 원으로 1990년대에 비해 3배 이상 증가하였다. 또한 1916년 이래 기상재해에 따른 연간 재산 피해액이 가장 컸던 10번 중 6번이 2001년 이후에 발생한 것으로 나타나고 있다.

이와 같은 이상기후로 인한 경제적 피해의 발생 증가 때문에 세계적으로 각국의 금융시장에 위험관리를 가능하게 하는 기후관련 파생상품이 도입되고 있다. 예를 들어 미국의 경우 시카고 상품거래소(Chicago Mercantile Exchange: CME, 이하 CME로 통칭함)는 1999년 날씨파생상품을 시장에 최초 도입하였고 이후 2011년 현재 미국 24개 도시, 캐나다 6개 도시, 호주 3개 도시, 일본 3개 도시의 온도지수를 기초로 하는 파생상품이 거래되고 있다. 최근에는 온도 지수 뿐만 아니라 강설, 강우, 서리, 허리케인 등 기상이변과 관련한 파생상품을 도입하여 거래 상품의 다각화를 시도하고 있다. 또한, 일본의 경우 1999년 날씨파생상품이 시장에 처음 소개되었고, 손해보험사들의 파생상품 거래가 허용됨에 따라 보험업계를 중심으로 초기시장이 형성되었으며, 시장규모는 2000년 60억 엔에서 2005년 600억 엔 수준으로 5년 사이 10배의 성장을 기록하였다.

그러나 날씨파생상품이 개발되고 사용되고 있는 세계적 추세에도 불구하고 한국의 경우 날씨파생상품의 도입이 늦어지고 있다. 한국에서 날씨파생상품이 도입이 늦어지고 있는 이유는 실질적이고 적극적인 위험관리 수단인 날씨파생상품의 인지도가 아직 미미하며 기후변화에 대하여 대응할 수 있는 기업차원의 경쟁력 또한 낮은 수준에 머무르고 있기 때문이다. 예컨대 2010년 대한상공회의소 지속가능경영원과 에너지관리공단이 1,738개 에너지 과소비업체를 대상으로 실시한 산업계 기후변화 경쟁력지수(Korea Climate Change Index: KCCI) 조사 결과에 따르면 국내 산업들의 기후변화 경쟁력이 100점 만점에 평균 36.3점으로 아주 낮은 점수를 기록하고 있다.

특히 한국의 날씨는 계절의 변화가 뚜렷하여 계절별로 다양한 특징있는 기후가 있고, 여름의 기후와 겨울의 기후의 차이가 커 기후 변동성이 아주 큰 나라이다. 한국의 큰 기후 변화는 많은 기업들이 위험관리가 되어있지 않은 경우 비용증가가 야기될 가능성이 있으나 기후변화에 따른 경쟁력이 낮고 대책 수준이 미흡하기 때문에 직・간접적 경제적 피해가 발생될 수 있다는 점은 아주 큰 문제이다. 특히 전력산업의 경우 잉여전력 발생을 줄이기 위해 정확한 전력수요 예측를 위해 노력하고 있으나 최근 보다 심해지고 있는 이상기후로 인하여 전력의 수요 예측이 어려워져 예측오차 발생이 커지고 있으며 그 결과 날씨 위험에 따른 비용증가 위험에 노출되고 있다. 전력의 수요는 기후변화에 민감한 영향을 받고 있고 석유・화학(21.22%), 1차금속(18.36%), 영상・음향(12.62%), 섬유・의류(8.03%), 자동차(6.8%) 산업 등의 산업이 전력수요에 막대한 영향을 미치며, 이상기후는 이 전력수요의 예측오차의 발생을 어렵게 하여 비용증가 위험에 크게 노출된다. 또한 이상의 산업은 향후 날씨파생상품이 도입되었을 때 날씨 위험을 헤지할 잠재적 수요자 될 가능성이 높다.

따라서 본 논문에서는 산업규모가 커 잠재 시장참여자가 많을 것으로 예상되는 전력산업의 헤지수요와 성과를 집중적으로 분석하고자 한다. 한국의 전력산업을 대상으로 날씨파생상품이 어떻게 적용되며, 만일 적용된다면 이에 따른 헤지수요 및 성과가 어떠한지를 평가하고자 한다. 이를 위해 첫째, 성공적으로 날씨파생상품을 도입한 CME의 날씨파생상품을 분석하여 우리나라 특성에 맞는 날씨파생상품 기준지수를 설계하는데 벤치마킹하고자 한다. 둘째, 날씨파생상품의 기초자산으로는 기온, 서리, 강수량, 강설량, 태풍 강도 및 횟수 등 다양한 날씨 관련 지표들을 활용하여 날씨파생상품 기준지

수를 개발할 수 있는데 어떤 기준지수가 우리나라에 적합한지를 파악하기 위해 기준지수의 변동성 측면, 헤지수요 측면 및 헤지성과 측면을 고려한다. 셋째, 위 조건을 만족하는 날씨를 대상으로 기준지수를 개발한 후 해당 기준지수와 관련산업의 연관성을 분석함으로써 잠재적 헤징수요를 파악하고, 이론적 선물가격 및 옵션가격을 활용하여 헤징성과를 분석함으로서 최적의 기준지수를 선정하고자 한다.

본 연구의 결과로 최적의 날씨파생상품 기준지수가 개발되고, 날씨파생상품이 자본시장에서 성공적으로 도입되어 거래가 활성화된다면 다음과 같은 기대효과가 예상된다. 첫째, 날씨의 이상변화에 따른 산업의 날씨 위험을 자본시장을 통해 헤지 함으로써 산업의 경제적 활동에 안정성을 도모할 수 있는 관리수단을 제공할 수 있을 것으로 생각된다. 둘째, 날씨파생상품 도입은 손해보험산업의 위험관리 능력을 확충할 수 있고, 투자기관의 투자펀드 포트폴리오를 다양화할 수 있을 것으로 기대된다. 셋째, 자연재해발생시 재해판정을 받지 못해 피해보상을 받지 못해 생기는 분쟁을 날씨파생상품 도입을 통해 완화할 수 있다.

THE IMPACT OF PROPOSED ACTIVITIES FOR THE DEVELOPMENT OF CITIZENSHIP AMONG PRE-SCHOOL CHILDREN

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ABSTRACT

This study aimed to identify the impact of proposed activities for development of citizenship among the children of pre-school education and to achieve this researcher assumed the following assumptions: • The statistical function among the experimental group showed differences between the initial and post implementation for the post one in each of the followings: • The national affiliation. • Respect for the law, the rules of play and the rights of others. • The trend towards equality. The researcher used the experimental method to test the validity of these assumptions and she designed activities for the development of citizenship. Then she applied the study on one pilot group. She also prepared a measure of citizenship assessment among the children of pre-school education. The analysis of the result led to the following: • The proposed activities have positive impact in the development of citizenship. • The proposed activities have positive impact in the development of national affiliation. • The proposed activities have impact in the development of respect for law and rules of play. According to the result above the researcher recommended the following: • Pre-school curriculum should be developed by adding activities that develop citizenship among children.

THE INFLUENCE OF FEMALE CELEBRITY ENDORSER CREDIBILITY (FCEC) ON UNIVERSITY STUDENTS' ATTITUDE TOWARDS COSMETICS BRANDS

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ABSTRACT

The use of celebrities is considered to be a viable strategy by marketers since they are perceived to be more credible endorser of products compared to non-celebrities. Consistently, there has been a trajectory in the application of the celebrity endorsement concept using local, female media personalities in South Africa. Within the same vein, it may be noteworthy to establish if female celebrity endorsement may contribute effectively towards determining consumers' attitude towards cosmetics brands. A self-administered questionnaire with no stimulus advertisement was administered to 341 university students to establish their overall perceptions of the credibility of female celebrities who endorse a plethora of cosmetics brands. Data were analysed using correlation and regression techniques. The findings revealed that female celebrity credibility had positive impact on attitude toward the cosmetics brand. The study established that three elements related to the individual female endorser enhance the effectiveness of the endorsers and, in turn, lead to favourable cosmetics brand attitude. **S**pecifically, the celebrity endorsement effectiveness of female endorsers rests on the source credibility model that includes source attractiveness, trustworthiness and expertise attributes. Theoretical and managerial implications, as well as future research directions are suggested.

Keywords: Celebrity credibility, endorsement, brand attitude

INTRODUCTION

The cosmetics sector is one of the fastest growing and essential, but cut-throat industries in the world. Generally, cosmetics are a permeating element of consumer culture. Some scholars have cited that cosmetics are one of the imperatives of contemporary life that represent one of the most important ways individuals can present and transform their public persona (Bloch & Richins, 1992:6; Cash & Cash, 1982:4). Kumar, Massie and Dumonceaux (2006:286) defined the cosmetic industry as 'a very lucrative, innovative and fast paced industry'. This is primarily as a result of the glamour associated with the usage of certain product categories in the cosmetics range. The Cosmetic, Toiletry and Fragrance Association (CTFA) of South Africa is the industry's voice committed to maintaining the high quality and safety of cosmetic products. The CTFA (2013:6) defines cosmetics as "products (excluding drugs designated by the pharmaceutical affairs law) to be used for cleansing or beautifying of human body or making it more attractive".

Cosmetics have been used to protect human skin from the harsh environment as well as to express an individual's desire for beauty over the past centuries. This may include modifying bodily appearance and improving or maintaining the epidermis (skin), hair, nails, lips, teeth and/or external genital organs by rubbing, spraying, or other similar methods. This is usually done with a view to clean the body, to remove bad smell, to protect the skin, to make up the face and to adorn the physical appearance. This definition guides retailers and members on the Self-regulatory Codes of Practice and Standards that will allow the industry to flourish. Similarly, in keeping up with dramatic growth and aggressive consumption in Asian, Eastern European and

South American markets, world market size of cosmetics production in 2009 was 223.7 billion USD (Canning & West, 2009:2). According to a global market research firm report (Datamonitor, 2013:1) the European market accounts for 42.1 per cent of global cosmetic market share, followed by Asia-Pacific comprising 27.3 per cent of the same market. Conversely, traditional market leaders such as Europe and North America has been regressing, while Asia, Latin America, Middle East and African markets have relished a modest industry trajectory since 2005.

Within the same vein, marketers have taken advantage of the evasiveness of advertisements to explore the possibility of making different cosmetic brands more compelling, eye-catching and noticeable to audiences. While there is a shift underway in the advertising world from investing money in print and social media advertising, the use of celebrities to push products remains pervasive. With increasing rivalry for consumer attention and new product introductions in a digitally saturated media society, advertisers are forced to use attention-grabbing media stars (Muda, Musa & Putit, 2010:636). As such, the seminal work of McKraken (1989:310) positions the celebrity endorser as 'a ubiquitous feature of modern marketing'.

1. LITERATURE REVIEW

A celebrity is an individual who enjoys public recognition for various reasons (McKracken, 1989:314). Celebrities are usually heros or heroines in a specific society since their names could grab attention, arouse interest and further generate profit from the public (Aggarwal-Gupta & Priya, 2009:68). In many societies, celebrities are perceived as model of success owing to their accomplishments in areas such as sports, entertainment, politics, broadcasting and corporate circles. Many consumers aspire to share their values and lifestyles with these individuals (Alsmadi, 2006:71). Consequently, it is common practise for consumers to imitate these public figures by way of dress, communication and most importantly, the brands that celebrities choose and use. Following on, marketers use celebrity endorsers to build their brand image to ultimately influence the customers' purchase decisions (Trehan & Trehan, 2010:97). Capitalising on their image, celebrities are used as endorsers of brands in advertisements. McGuire (1985:15) defines celebrity endorsement as the process of allowing an individual to enjoy public recognition on behalf of a consumer good by appearing with it in an advertisement on different media. It has therefore, been asserted that firms have been juxtaposing their brands and themselves with celebrity endorsers (e.g. athletes, actors) in the hope that celebrities may boost effectiveness of their marketing and/or corporate communication attempts (Erdogan & Kitchen, 1998:19).

Different forms of celebrity endorsement have been strategically used by marketers in media advertisements that include magazines, television, products placement in movies as well as photographs of paid celebrities using the products bearing the endorsed brand (Roy, 2006:141). In other instances, endorsement has entailed photographs of unpaid celebrities bearing the endorsed brand or mentioning the brand in movies, inviting celebrities to be co-creators in designing the products or even naming products after celebrities (Seno & Lukas, 2007:125). Notwithstanding this, there is solid evidence that suggests that celebrity endorsements (both compensated and uncompensated) can set a trajectory in brand movement from relative obscurity to nationwide recognition (Henriks, 1996:133). The cosmetics industry has not been neglected in this surge. This is because celebrity endorsement is deemed very useful in gaining sales (Canning & West, 2009:2) increasing brand awareness (Petty & Lindsey-Mullikin, 2006:26) as well as creating positive feelings towards the brand (La Ferle & Choi, 2005:67). As such, companies should select the form of celebrity endorsement that is appropriate for their promotional mix and will further enable their brands to stand out from the surrounding media clutter. In other words, by using famous people to endorse a brand, marketers are able to earn their brands a high degree of positive evaluation and recall when comparing with those unendorsed brands (Hsu & McDonald, 2002:21).

2.1 Female celebrity endorsement of cosmetics in South Africa

Indeed, since 1994 and the demise of the apartheid regime, a growing university populace has emerged as a financially viable target for advertisers (Olivier, 2007:180). Consistently, marketers have used significantly local heroines in their advertisements of a plethora of cosmetics products. According to Johnson *et al.* (2010:6), such a move has allowed major cosmetics companies to target across racial and cultural divides. For example, in recent years Terry Pheto signed with L□Oréal Paris, Connie Masilo-Ferguson with Garnier, Lerato Moloi with Elizabeth Arden, Lesego Motsepe with Avon, with Revlon and Vanessa Marawa with Clere. By lending their faces and names to specific brands, these female celebrities have been able to attract and maintain attention by their presence in the advertisements. Moreover, these endorsements occurred with the launch by these brands of products targeting even-skin complexion, built-in SPF properties and anti-ageing creams. A priority interest for a majority of consumer segments in contemporary society. However, little is known about the credibility of these endorsers and their relative influence on the attitudes of young student consumers who seem to epitomise a prosperous future diamond market segment in South Africa.

Women use cosmetics to audition various selves and cosmetics matter because they are a means of self-invention (Cash & Cash, 1982:6). Though celebrity endorsement is generally expensive, numerous marketers still see the value of this communication tool in that it usually fosters instant credibility to the brand (Hung, Chan & Tse, 2011:611). Some consumers believe that if a celebrity is willing to use a particular product, service, or brand, the company that produced the product or service must have certain degree of high quality. Many studies have also shown that celebrity endorsers favourably influenced important advertising effectiveness measures such as attitudes toward the advertisement, attitude toward the brand and purchase intention (Halonen-Knight & Hurmerinta, 2010:455; La Ferle & Choi, 2005:67; Pornpitakpan, 2004:254). As such, a celebrity endorsement strategy has the ability to create an image for a product through meaning transfer (McCracken, 1989:315). In other words, the target audience would find the brand as superior owing to the meaning that has been transferred by the source (celebrity endorser) to the brand. In light of this assertion, Petty and Lindsey-Mullikin (2006:26) maintain that credible endorsers are effective because they connect with consumers by appearing, at least, to bring some independent credibility to an advertisement and also to the advertised product or brand.

Source credibility is the degree to which the receiver would believe that the source has a certain degree of relevant knowledge and/or expertise by electing to trust the information offered by that source (Ohanian, 1991:48). Source credibility is a term that is commonly used to imply a communicator's positive characteristics that affect the receiver's acceptance of a message. The source credibility model of (Ohanian, 1990:40) suggests that the target audience should perceive a celebrity endorser as being a credible endorser first, prior to approving that endorsed brand. Some scholars have also established that that source credibility might actually affect consumers' purchase intentions and attitudes toward both the brand (Ohanian, 1991:48) and the advertisement (Lutz, MacKenzie & Belch, 1983:533). Celebrity endorsement credibility scholarship thus converges on three dimensions as components of source credibility, namely; trustworthiness, expertise and attractiveness (Erdogan & Kitchen, 1998:20; Hovland, Janis & Kelley, 1953:129; Joseph, 1982:22-24; Kahle & Homer, 1985:955). The next section will hone in on these important theoretical constructs.

2.2 Female celebrity endorsement credibility (FCEC) dimensions

Hung *et al.* (2011:610) and Khatri (2006:27) concur that the endorsement process depends upon the symbolic properties of the celebrity endorser. Using a "meaning transfer" perspective, these properties are shown to reside in the celebrity and to move from the celebrity to the consumer good and then ultimately, to the consumer (Halonen-Knight & Hurmerinta, 2010:455). The Source Credibility Model, derived from seminal work of Hovland *et al.* (1953:134) contends that expertise and trustworthiness are the essential factors leading to the perceived credibility of a message. On one hand, source expertise is defined as the extent to which a communicator is perceived to be a source of valid assertions about the object or issue (Aggarwal-Gupta & Priya, 2009:64); in this case, the cosmetic brand. Evidentiary use of celebrity experts during the endorsement process who also possess professional knowledge and skills about the brand tends to add to their claims about the product and hence, increases the persuasiveness to consumers. Some researchers opine that the expertise of a celebrity endorser is more potent when compared to any other attributes (Till & Busler, 1998). This is because when consumers are exposed to a source who is perceived to be an expert, they tend to exhibit a higher level of agreement with the source's recommendation than if they were exposed to a source with lower levels of expertise (Ohanian 1990). As such, the salience of using feminine role models who are considered to be beauty 'goddesses' when endorsing a plethora of cosmetic brands is acknowledged.

Trustworthiness is referred to as the degree of consumer confidence in the communicator's intent to communicate the assertions that he or she considers most valid (Hovland *et al.*, 1953:148). This construct therefore, insinuates that the honesty and integrity of the spokesperson are invaluable attributes in the endorsement process (Till & Busler, 1998:577). If a company wants the celebrity endorsers to be seen as credible, then the consumers must perceive them to be trustworthy when lending their faces to a particular cosmetic brand. As such, if the communicator is perceived as highly trustworthy, the opinionated message is also considered as being more persuasive and effective in producing both attitudinal and behavioural changes as shown in various studies (Chen & Huddleston, 2009:342; Pornpitakpan, 2004:249; Silveira & Austad, 2004:1516).

Moreover, Tripp, Jensen and Carlson (1994:541) pronounced that endorsers of single brands are considered to be more trustworthy than those endorsing several, unrelated brands. As a result, consumers could be better induced by female celebrities who endorse only one unique cosmetics brand category. In other words, a trustworthy endorser provides the consumer with confidence about providing information in an objective and honest manner (Ohanian, 1991:50). Notwithstanding the inconclusive academic debates regarding single versus multiple endorsement credibility, it has been empirically proven that brand credibility encompasses both expertise and trustworthiness (Eisend & Langner, 2010:541; Khatri, 2006:33). Thus, an endorser is deemed credible, 'if consumers perceive him/her as having the ability (expertise) and willingness (trustworthiness) to consistently deliver' what has been promised (Erdem & Swait, 2004:192).

However, there has been controversy regarding the appropriateness of source attractiveness as a criterion to evaluate endorsements' effectiveness. Some authors (Erdogan & Kitchen, 1998:19) argued that attractiveness is a determining factor of source credibility. The studies of Van der Waldt, Van Loggerenberg & Wehmeyer (2009:106) also established that celebrity endorsers were perceived to be more attractive and hence more credible compared to created company spokespersons. On the contrary, other scholars (Silvera & Austad, 2004: 1514; Byrne, Whitehead & Breen, 2003:293) have simply dismissed the salience of this attribute.

Drawing from the source attractiveness model that has its origins in Mcguire's (1985:238) source valence model, attractiveness has for long been recognised as the third component of source credibility. Attractiveness refers to the perceived physical attractiveness of the source (Eisend & Langner, 2010:543; Ohanian, 1991:51). Physically attractive endorsers are presumed to have a positive impact on opinion change as well as overall product evaluations (Chen & Huddleston, 2009). This has compelled marketers within the cosmetics industry to utilise highly attractive and beautiful celebrities as spokespersons for their brands. Beyond the physical attributes that are limited to the size of the body, hair colour, facial features and physical appearance, source attractiveness in the context of message effectiveness has also been found to depend on the source's familiarity, likability and similarity (Liu & Brock, 2011:1222; McGuire, 1985:240; Ohanian, 1991:52).
Familiarity encapsulates knowledge of the celebrity through exposure such as acting or other media faculties (Roy, 2006:145). Johnson *et al.* (2010:12) assert that the use of local celebrities enhances source attractiveness since South African consumers are more susceptible to be familiar with the characteristics of these role models in terms of skin complexion, voice tone and mother-tongue. Likewise, likeability refers to implicit affection for the source as a result of their physical appearance, aptitude and overall deportment (Fleck, Korchia & Roy, 2012:659; Liu & Brock, 2011:1223). Similarity is the supposed resemblance between the source and the receiver of the message. Petty and Lindsey-Mullikin (2006:28) contend that endorsers have been proven to be most effective when perceived to be similar to the targeted consumer. In this case, the consumers would utilise cosmetic brands that have been endorsed by local female celebrities with whom they find comparable ideals in the pursuit of beauty.

2. PROBLEM INVESTIGATED

Undoubtedly, celebrity endorsements give a brand a touch of glamour and the hope that a famous face will provide added appeal and name recognition in a crowded marketplace. According to Till and Busler (1998:581) the effectiveness of endorsers are of importance to both practitioners and academics since there has been a remarkable trajectory in both celebrity entrepreneurship and celebrity endorsement advertisements in South Africa (Van Heerden, Kuiper & Saar, 2008:157; Van Der Walt *et al.*, 2009:108; Johnson *et al.*, 2010:10). Some researchers have progressively journeyed along celebrity endorsement terrain (Chen & Huddleston, 2009:341; Pornpitakpan, 2004:268; Silveira & Austad, 2004:1523; Byrne *et al.*, 2003:292) although limited academic discourse has sought to extricate the underlying dimensions of the source credibility model along the milieu of a single-gender based source perspective. While conceding that perceptions of customers regarding endorser credibility are not germane to all, the gender differences among celebrity endorsers have to be cherished as well. This is because the effectiveness of the endorser depends, in part, upon the meanings he or she brings to the endorsement process (McKracken, 1989:319). In this study, the meaning that is transferred exclusively by female celebrity endorsers in the cosmetics endorsement process is investigated.

Extant literature on the effects of celebrity endorsement on advertising efficacy has been largely informed by research findings from Western samples which rally behind an insalubrious obsession with celebrity culture and idolisation, especially among the younger generations (Douglas, 2003:29; Ferreira & Armstrong, 2004:201). Relatedly, Ohanian (1990:42) developed and validated a scale to measure celebrity endorsers' credibility among youths in America while Pornpitakpan (2003; 2004) replicated the scale in Singapore and yielded consistent results. As such, it may be noteworthy to establish whether these findings could present analogous values within a developing country context. In addition, the received wisdom on celebrity endorsement among emerging economies is modest, while existing models fail to capture several of the most interesting and central characteristics of the female endorsement process, in particular. Hence, there is a need to study the influence of FCEC on consumers' attitudinal responses. It may be interesting to acquire some insight as to what extent the source credibility model (a Western-derived model) is applicable towards shaping consumer attitudes in a society that was once male-dominated and prohibitive of the excessive adoration of female personalities, in general.

3. RESEARCH OBJECTIVES

The study seeks to pursue the following empirical objectives:

- To identify the underlying FCEC dimensions
- To establish whether positive and significant relationships exist among the FCEC dimensions
- To determine the influence of the identified FCEC dimensions on consumers' attitude towards cosmetics brands

4. RESEARCH METHOD

To obtain an impartial perspective, a theoretical foundation was initially established through a literature review on celebrity endorsement attributes. In addition, the study followed a single-cross-sectional, descriptive research design. This necessitated the application of an empirical investigation using a quantitative research approach.

5.1 Participants and sampling procedure

The target population for this study was a conveniently selected sample of tertiary students, above 18 years who are currently enrolled at an academic institution located in Southern Gauteng (South Africa). Students are an important market segment and they are also likely to be appropriate participants in researches as they are more likely to be homogenous on certain demographic features and perceptions, especially when they are familiar with the product, idea, or brand (Ferreira & Armstrong, 2004:197). Furthermore, Van Heerden *et al.* (2008:156) concur that the choice of a student sample is acceptable when the dependent variables and or the intended generalisations are compatible with the population of interest. Non-probability, convenience sampling was used in the survey. Convenience samples are generally considered to be useful in the exploratory phases of a research area as they permit self-selection of respondents which enables a researcher to reliably document that a particular quality of a substance or phenomenon actually exists within a given sample (Tustin, Ligthelm, Martins & Van Wyk, 2010:346).

5.2 Instrumentation and measures

Given the pervasiveness of the usage of celebrities in advertising, a valid instrument for measuring the credibility of celebrity endorsers was deemed important for assessing the possible influence of selected dimensions on the attitude of consumers. Ohanian's (1990:40-50) 15 item scale which measures credibility on the dimensions of attractiveness, expertise and trustworthiness was deemed appropriate for adaptation in this study. According to Ohanian (1991:47), the name of a specific celebrity endorser would be provided. Next, respondents would be required to rate the celebrity endorsers by using the set of provided adjectives. The original three dimensions were measured on a seven-point semantic differential scale with each dimension operationalised using five adjectives along with 5 sub-scale scores.

In the current study, modifications to Ohanian's (1990) scale were made. Firstly, instead of using a semantic differential scale, only positive adjectives and statements anchored on a five point likert scale of agreement ranging from 1 (strongly disagree) to 5 (strongly agree5) were used. For example, 'beautiful celebrity endorsers can trigger my purchase of their endorsed cosmetics' brands.' This demands that the respondents indicate the degree of agreement or disagreement with each of the statement about the stimulus objects (Malhotra, 2010:358). Secondly, no specific celebrity endorsers were named on the questions in order to test the general reaction of consumers towards celebrity endorsement credibility, not limited to a particular celebrity endorser. Thirdly, no specific cosmetics brands were named on the questionnaire with a view to aggregate the consumers' attitudinal feelings of favourableness (or not) towards cosmetic brands in general. Therefore, by modifying the scale, the researcher was able to examine and understand consumers' brand attitudes using a comprehensive understanding of female celebrity endorsement credibility (in general) would be acquired.

The dependant variable, attitude towards the brand was operationalised from the three item scale of Sengupta and Johar (2002:47). Moreover, the first part of the questionnaire was designed to ask respondents' personal data and general cosmetic purchasing behaviour. The respondents' personal data included their age, ethnicity and education level. The respondents were also asked about their general cosmetic purchasing behaviour such as duration of cosmetic use, frequency of cosmetics purchases and their most preferred cosmetic brand categories.

5.3 Data collection procedure

A student sample was randomly selected through proportionate stratum based on the four faculty divisions at the Vaal University of Technology. The student sample was deemed appropriate since it is regarded homogeneous in terms of demographic features such as age and ethnicity. A sample size of 600 respondents (150 per faculty) was chosen based on the historical evidence approach by establishing the sample sizes that were used in previous studies (Fleck *et al.*, 2012:660; Liu & Brock, 2011:1232; Hung *et al.*, 2011:619). Two trained postgraduate field workers were involved during the data collection process by self-administering the survey. A survey data collection method was chosen as it is cost effective and convenient to administer among large consumer samples and also as part of an exploratory assessment (Malhotra, 2010:158). In order to increase representativeness and randomise the data collection procedure, data were collected over a period of 8 weeks at different times and days of the week. Initially, they indicated the information would be used by university researchers, and offered assurance of confidentiality. Only 398 agreed to participate in the study while 341 usable responses were obtained, yielding a response rate of 57 per cent. The other responses (56 questionnaires) were discarded due to missing values or incompletion. Table 1 provides sample characteristics.

5.4 Reliability and validity analysis

The reliability assessment for the instrument was ascertained by computing the cronbach alpha coefficient values as shown on Table 1. According to Nunnally (1978:69), Cronbach's alpha coefficients of less than 0.50 are deemed unacceptable; those between 0.50 and 0.69 are considered as being adequate whereas those above 0.70 are regarded as being acceptable. The sub-scale reliability values for the FCEC scale ranged between 0.81 and 0.86 indicating high internal consistency among the scale items. However, the brand attitude scale reported an alpha value below 0.70 and yet the researcher decided to retain the scale. This is because the scale could not be made more reliable because there were only three questions in this sub-dimension and none of the questions could have been deleted. However, this has been acknowledged as a limitation of this study.

Table 1: Cronbach Alpha values for the FCEC dimensions

Dimension/Construct	N	Number of Items	Cronbach Alpha
Trustworthiness	341	5	.86
Expertise	341	5	.81
Attractiveness	341	5	.85
Attitude toward the brand	341	3	.69
Overall Cronbach Alpha for the entire Scale = 0.803			

In order to ascertain content validity, the questionnaire was pilot-tested with a sample of 50 conveniently selected respondents. Exploratory factor analysis (EFA) was conducted with a view to establish construct validity of the scale. Items that revealed no cross-loadings among the constructs and further indicated that an operation is similar to (converges on) other operations that it theoretically should also be similar to on the factor loadings; were identified. The results of the EFA study led to the establishment of a four-factor structure as shown on table 3 of this study.

5. RESULTS

In this study, data analysis was conducted using the Statistical Sciences for the Social Sciences (Version 21.0).

6.1 Summary of the sample

The results indicate that there were 198 (58 per cent) female respondents and 143 (42 per cent) male respondents that took part in the study, demonstrating comparable awareness of both gender cohorts towards cosmetic brands in South Africa. The largest group of respondents (n=174; 51 per cent) of the respondents was in the 21-23 years age-group while a majority of the respondents comprised individuals of African descent (n=293; 86 per cent) owing to the location of the survey site. The sample composition comprised both undergraduate (n = 246; 72 per cent) and postgraduate respondents (n = 95; 28 per cent). Furthermore, the respondents indicated preference rankings for Elizabeth Arden (n = 123; 36 per cent), Revlon (n = 92; 27 per cent), Clere (n = 72; 21 per cent) and Nivea (n = 54; 16 per cent) as the top four favourite cosmetic brands, respectively. On average, the respondents indicated that they use their favourite cosmetic brands daily while they find themselves making purchases of the same, at least once every fortnight.

6.2 Exploratory factors analysis (EFA)

To avoid any negative impacts made by modifying the variables from a semantic scale to a Likert scale, it was necessary to carry out an exploratory factors analysis procedure in this study (EFA). Exploratory factors analysis (EFA) could reduce the amount of data due to possible existence of similar and redundant variables (Malhotra, 2010:89).

EFA suitability evaluation

From the KMO and Bartlett's Test table (Table 2), the Kaiser-Meyer-Oklin value was 0.80, which exceeded the recommended value of 0.6 (Field & Miles, 2010). So there was a satisfactory amount of variance in original variables that might be caused by underlying factors. Barlett's Test of Sphericity (Bartlett, 1954:296) reached statistical significance (< 0.05), supporting the factorability of the correlation matrix. Therefore these results indicated that "patterns of correlations are compact" and that factor analysis should yield reliable factors (Field, 2009:647).

Table 2: Results for EFA suitability

Kaiser-Meyer-Olkin Measure of adequacy		0.803
Bartlett's Test of sphericity	Approx. Chi-Square (χ^2)	3753.69
	df	91
	Sig	0.000

Factor extraction and rotation

The rotated factor matrix for the study is shown on table 3. An Oblimin oblique rotation was performed on the principal components of the exploratory factor analysis. To determine the number of factors to be extracted, Kaiser's criterion was used, namely to retain factors with eigen-values greater than one (Field, 2009:650). A total of 15 items demonstrated sufficient discriminant validity by loading to a sufficient extent. Three underlying FCEC factors were extracted with eigenvalues of 7.93 (>1), 4.01 (>1) and 2.92 (>1), along the trustworthiness, expertise and attractiveness attributes, respectively. Similarly, the attitude sub-scale had an eigen value of 1.54 (>1). The extracted factors accounted for 76.49 per cent variance, in total (>60 per cent).

Table 3: Rotated factor loading matrix and psychometric evaluation of the scale

Item	**Rotated component/Factor**			
	Trustworthiness	**Expertise**	**Attractiveness**	**Attitude towards the brand**
Dependable	**.588**	-.199	-.017	.416
Reliable	**.838**	-.042	-.100	.082
Honest	**.595**	-.166	.014	.414
Sincere	**.846**	-.078	.179	.116
Trustworthy	**.803**	.209	-.045	.146
Appealing	.044	.161	.037	**.784**
Useful	.211	.009	.003	**.606**
Favourable	.088	-.092	.229	**.681**
Attractiveness	.039	-.020	**.824**	-.007
Elegant	.217	.020	**.736**	-1.02
Sexy	-.056	.254	**.842**	-.005
Beautiful	.051	.107	**.920**	.038
Classy	.044	.194	**.851**	.089
Expert	.293	**.666**	.113	.099
Experienced	-.135	**.766**	.307	-.294

Skilled	.059	**.711**	.365	-.231
Qualified	-.008	**.853**	.219	-.139
Knowledgeable	-.135	**.682**	-.082	.242
Explained variance	30.074	16.654	14.900	14.868
Cumulative % of variance	30.074	46.728	61.628	76.496
Eigen Values	7.929	4.009	2.917	1.539

Factor loadings of 0.50 and more were considered significant. Extraction method: PCA

6.3 Correlation analysis

In order to examine the relationship among the FCEC dimensions with attitude, parametric correlations were computed using Pearson's correlation statistic (*r*). This correlation test statistic is used to describe the existence of a relationship amongst the constructs as well as the strength and direction of the association. The results are reported in Table 4 of the study.

Table 4: Correlation analysis: FCEC dimensions with attitude towards the brand

Construct/Dimension	**Trustworthiness**	**Expertise**	**Attractiveness**	**Attitude toward the brand**
Trustworthiness	1			
Expertise	.251*	1		
Attractiveness	.230*	.103*	1	
Attitude toward the brand	.257*	.349*	.546**	1
Mean ($\bar{X}$)	3.838	3.036	3.998	4.092
Standard Deviation (SD)	1.063	.861	.924	.988

6.4 Simple regression analysis

In order to measure the impact of each of the latent variables on consumers' attitude towards the consumption of cosmetics brands, a simple regression procedure was conducted. Since only positive correlations were established between the FCEC attributes with attitudes, stringent examinations were conducted with a view to corroborate the assumptions of the linear regression models along with co-linearity diagnostics' checks. Firstly, the correlation matrix was examined for existence of multi co-linearity, i.e. if the predictor variables correlates too highly (r>0.9) with each other (Field & Miles, 2010:328). None of the correlations in Table 4 reached a value of r>0.9 hence the data was considered suitable for linear regression analysis using the Enter method. Field (2009:651) further suggests that if the variance inflation factor (VIF) is greater than 10 then the predictor variables are correlated among themselves hence co-linearity is a cause for concern. In this case, the regression model one was deemed appropriate for the data as the VIF values ranged from 1.113 to 3.922. The tolerance statistics for the predictor variables ranged from .524 to .728 inferring that there was no co-linearity within the data set (Tolerance □.20). The results of the regression procedure are reported on Table 5.

Table 5: FCEC regression model

Independent variables: FCEC	Dependent variable: Attitude towards the brand				
	Standardised Coefficients		Sig. (*p* value)	Collinearity Statistics	
	Beta	t		Tolerance	VIF
Trustworthiness	.513	8.030	.027	.693	3.922
Expertise	.457	7.526	.000	.728	1.113
Attractiveness	.444	7.001	.039	.524	2.628
Model 1 Summary: **R= 0.635 R^2 = 0.403 Adjusted R^2 = 0.409 Std. error of the estimate = .94386 F = 54.782 Sig 0.05 level**					

The three FCEC dimensions (adjusted R^2 = 0.409) explained approximately 41 per cent of the variance in consumers' attitude towards cosmetic brands. Furthermore, a large F statistic was obtained on the regression model at a value of 54.782 (p=0.000) thus confirming the fitness of the regression model in measuring this predictive relationship.

6.5 Discussion of the findings

Positive correlation coefficients were observed between the trustworthiness dimension with attitude (r=0.257; $p < 0.05$). In addition, this dimension was ranked second on the factor mean score rankings ($\bar{X}$ =3.838; SD=1.063) providing some indications of the level of agreeability regarding the relative importance of celebrity trustworthiness in determining consumers' attitude towards cosmetics brands. Moreover, the results of the regression analysis also reveal that celebrity trustworthiness is a statistically significant predictor of attitude (β = 0.513; t = 8.030; $p < 0.05$). The results of this study suggested that having a celebrity who is perceived as trustworthy can elicit consumers' positive attitudes towards the brand endorsed by the celebrity. This is consistent with the findings of Hung *et al.* (2011:619). However, this result contradicts previous evidence in the celebrity endorsement literature. For example, the studies of Muda *et al.* (2010:638); La Ferle & Choi (2005:67) and Goldsmith, Lafferty and Newell (2000:51) found an indirect relationship between celebrity endorser credibility and attitude toward the brand, although this relationship was mediated by attitude toward the advertisement in those studies. Thus, it is interesting to note that perceived credibility of a female celebrity endorser will induce positive attitudes towards cosmetics brands.

Strong and positive correlation coefficients were observed between the expertise dimension with attitude (r=0.349; $p < 0.05$). In addition, this dimension was ranked third on the factor mean score rankings ($\bar{X}$ =3.036; SD=.861) providing some indications of the level of agreeability regarding the relative importance of celebrity expertise in determining consumers' attitude towards cosmetics brands. This is consistent with Eisend and Langner (2010:542), Canning and West (2009:6) as well as Aggarwal-Gupta and Priya (2009:72) who asserts that expertise comprises experience, knowledge, qualifications and skills of the endorser. Moreover, the results of the regression analysis also revealed that celebrity expertise is a statistically significant predictor of attitude (β = 0.457; t = 7.526; $p < 0.01$). However, since these attributes are usually difficult to ascertain *prima facie*, Van der Waldt *et al.* (2009:110) asserts that endorser expertise is measured as it is perceived by the target audience.

Jung and Haas (2006:2) quoting Aristotle contended that 'beauty is a far greater recommendation than any letter of introduction.' So the highly attractive female celebrity endorsers were easily linked to source credibility. Celebrity attractiveness was found to be a sacrosanct attribute in the case of determining consumers' attitude towards cosmetic brands (r=0.546; $p < 0.01$). The respondents concurred that their attitude towards cosmetic brands can be altered positively if they can relate to the celebrity endorser and also like the celebrity and this further enhances the likeability of the celebrity (β = 0.444; t = 7.001; $p < 0.05$). This attribute was ranked first on the mean score rankings ($\overline{X}$ =3.998; SD=.924). Consistently to the findings of Silvera and Austad (2004:1520) and Schlecht (2003:6), these results showed the importance of physical beauty in predicting positive consumer attitudes toward the endorsed brand. Subsequently, correspondent inferences can be made about the likeability and familiarity of female celebrity endorsers in predicting attitudes toward the product or brand being advertised (Fleck *et al.* 2012:659; Eisend & Langner, 2010:543).

6. CONCLUSIONS

Female celebrity endorsers are seen as more attractive (likeable) by consumers and therefore more readily identifiable and favoured. Female celebrities are also looked upon as more expert and trustworthy when endorsing cosmetic brands in South Africa. As a result, consumers identify with celebrities and internalise the 'things' they say about the endorsed products to extends that their attitude towards the advertised brand are positively influenced. However, the results of the study should be interpreted with caution because of the limitations of the study. Firstly, the findings are limited to female celebrity endorsers only. In addition, generic brand categories were evaluated. Perhaps the results could be different if specific stimulus advertisements utilising celebrities of different gender or of different nationality were to be evaluated. Secondly, it is also possible that if a semantic differential scale measuring the credibility of a specifically named celebrity endorser (rather than general) were to be used, a different set of results were probable. Thirdly, the Cronbach's alpha coefficient for the brand attitude sub-dimension was less than the recommended benchmark of 0.70 used to indicate acceptable internal consistency reliability. Nonetheless, future studies could expand the target population to include non-student groupings.

7. MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

An addition to the knowledge body was made by examining how the attitudes of university students towards cosmetics brands (in general) are influenced by the female celebrity endorsement efforts of marketers. Nonetheless, this subject is not just of academic interest, it has practical value as well. Marketers would find these results useful, as they can effectively manage advertising initiatives to generate positive attitudes among consumers. However, they ought to be cautious when selecting celebrity endorsers as there are risks involved, such as overshadowing the brand because of negative publicity associated with the endorser. Moreover, each source has different effects on consumers' brand perceptions thereby making it necessary to pursue a systematic strategy of celebrity spokesperson selection. It is important for cosmetics companies to know how the use of celebrity endorsements can influence consumers' attitude, trial probability, purchase intent and thus increasing the success of new product developments.

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SUSTAINABLE ENTREPRENEURSHIP SKILL ACQUISITION USING THE IGBO TRADITIONAL APPRENTICESHIP MODEL

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ABSTRACT

The Igbo people of South East Nigeria are generally known for commerce and industry. Entrepreneurship is very popular as the average Igbo man wants to be independent and his own master. This is a result of the well developed system of Apprenticeship inherited from their fore fathers who passed it on to this generation. In this system, the Master or 'Oga' takes on a youngster, 'Boyi' (derived from boy) fresh from Primary School, and lately, from Secondary School, into his household, and business to learn the trade over 5-10 years. At the end of this period, the *Oga* 'settles' the *boyi* by setting him up in his own business with his own shop and goods or equipment as the case may be. This study shows how this primitive system which has spawned a class of wealthy individual Businessmen, works. Case studies of several chains of businesses produced by this model are presented, showing that a large section of individual businesses operating in all parts of Nigeria owe their origins to this Igbo system of entrepreneurship. The study finds that this system has saved a huge percentage of Igbo youths from unemployment. Several problems inherent in the system are highlighted, chief of them being the well lamented low boy child school enrolment prevalent in the South East. It was also found that most of these businessmen are of below average education for the Nigeria of today. This has also prevented them from embracing modern methods and practices that could make the system sustainable, thereby reducing their scope of operation. Strategies for bringing this model into the 21st Century are laid out which include codification and the need for a curriculum for educating the apprentices.

Key Words: entrepreneurship, apprentice, education, Igbo, business.

TOURISM CHALLENGES AND PROSPECTS: THE NIGERIAN EXPERIENCE: A CASE STUDY OF BENIN CITY

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ABSTRACT

There are many challenges which are been encountered in the area of tourism in Nigeria. This research work on Tourism Challenges and Prospects: The Nigerian Experience with a case study of Benin city, was carried out so as to identify the various challenges. Questionnaires were designed and administered in the various locations of Benin City, using the designed objectives and hypothesis. Use is made of both primary and secondary data collections, to gather information. The obtained data were subjected to statistical analysis where results were obtained for discussion. The results obtained showed that Tourism in the area is grossly affected by factors such as lack of preferred destination, lack of consistency in policy, erratic power-supply, bad road networks, insecurity in the city and perennial conflicts, no enabling environment for investors or tourists among others. It was revealed that touristic activities in the area are at low level due to economic hardship and this is rubbing the city of its contribution to the national economy. It is however recommended that the government should create an enabling environment for both investors and tourists, as this will fasten the development of tourism in the city.

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POLITICAL VIOLENCE AND DEMOCRATIC CONSOLIDATION IN NIGERIA

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ABSTRACT

Democracy ensures popular participation in decision making. It gives people sense of belonging in their own affairs. In every democratic society, peace constitutes the basis for democratic sustenance. This is because democracy can only be consolidated in an environment devoid of violence and crisis. However, in Nigeria, democratic consolidation has been impossible. This is as a result of incessant political crises before, during and after elections. The paper adopted secondary method of data collection to source its information. The study examined critically the effects of political violence on democratic consolidation. The study observed that political violence has been the bane of democratic consolidation in Nigeria. The paper concluded that democracy can only be consolidated in a peaceful political environment.

Keywords: Democracy, Democratic Consolidation, Nigeria, violence, Political Violence.

WINE TOURISM AND DESTINATIONS IN THE WORLD SUMMARY

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ABSTRACT

In the past, travels that accept wine as a basic motivation factor, was quite a few numbers, today many people travel consciously to discover wine tourism regions. Among the most important reasons of these, there are increase of interest for wine and travel and many wineries have been turned into attractive places for tourists. Wine tourism is a touristic product range that needs active attendance and serves an individual product that addresses particular interest and creates added value as enables to wine lover tourists chance to have new knowledge and experience. Wine tourism has brought new opportunities and responsibilities to wine producers and served maintainable developing opportunities, buoyancy and differentiation economically, protection to local culture and some similar opportunities to wine region. Wine culture is a part of Western-style life culture. Wine appeared as a most important driving force of tourism in many countries. From the point of wine tourists what is differing a destination's attraction from others, mixing of physical, cultural and naturel environment of region has. In Europe this culture that comes percolated from thousand years, have created various wine types can be drunk every hour of day, so ''sophisticated wine culture''. Even East Europe countries have carried out different marketing activities to attract western tourists. Today festivities, which are organized during the vintage, and festivals that wine became honored quest, have expressed grape's travelling from vineyards to tables by combined with touristic trips. Therefore, especially wine festivals are very important to wine countries from the point of becoming brand.

SME FINANCING CAUSES AND SOLUTIONS (SMALL AND MEDIUM-SIZED)

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SUMMARY

Since the reform and opening up, the Chinese small and medium-sized enterprises are the rapid development of China's national economy, improve the contribution, small and medium-sized enterprises in promoting economic growth and create jobs, increase farmers' income, the transfer of rural surplus labor force is playing more and more important, etc. However, in recent years, he development of small and medium-sized enterprises facing great difficulties. Especially the influence to the further development of small and medium-sized enterprises in China is the most important factor to SME financing channel is narrow, financing, financing number structure unreasonable, financing cost is high. If less than 30% of the industrial sector contribution of state-owned enterprise occupied 70% of bank loan, but creates 70 percent of the GDP of the non-state-owned enterprises only 30% of the bank loans. If this phenomenon is not sufficient to improve, small and medium-sized enterprises will be difficult, sustained and rapid development of the whole national economy will directly influence the development.

1. SME financing reason analysis

From the above we can see the present financing, financing China has restricted the development of small and medium-sized enterprises. The reason is that both small and medium-sized enterprise itself, also have bank management system, there are more reasons of national policy.

1.1 Enterprise itself.

(1) The small scale of capital, small and medium-sized enterprises information idea indifference. Small and medium- sized enterprises operating in small scale, production technology, product structure behind a single level and low technology, to resist the risk ability is poor, fluctuating prices of raw materials or products, management risk is bigger. Add small and medium-sized enterprise credit is not high, credit, bank lending non-Americans options. Many small and medium-sized enterprise information disclosure awareness, financial management level is low, the lack of objective information and transparent. In addition, individual small and medium-sized enterprise still malicious smoke escape capital, default, shell, suspended creditor bank, causing serious harm to the loss of credit funds of the small and medium-sized enterprises, the overall level of credit.

(2) SME’s financial system is not perfect, the internal control system is not perfect, the accounting information distortion, Banks and enterprises information asymmetry, for SME financing difficulty increases. Assess SME’s financial system is not perfect 50%, many small and medium-sized enterprise

quality management, low lack of financial management knowledge, major financial decision-making by their heads to decide, management is very chaotic. At the same time, in order to cope with the inspection and supervision department also prepare two sets, and even more so, enterprise, to provide accurate accounting information, the bank also cannot find the reality of the enterprise to increase the risk of bank loan business.

1.2 Bank reasons

(1) The policy system of bank loan and unbalanced directly affect the direct financing channels. China's financial institutions with four commercial bank, the banking industry and the high altitude monopoly, consistent four banks lending to state-owned enterprises only wish. This is mainly in the ownership of state-owned Banks and enterprises, the differences between the bank and the enterprise system barriers. In addition, the provisions of the state bank is overdue, bad debts of non-performing loans, so the bank implements process for four years of small and medium-sized enterprises of a more cautious lenders nature and carefully. The securities listed in the strict request, "mainboard market" listed company is mainly for large state-owned enterprises, domestic enterprises, especially the non-state technology enterprises ", "the second-board market, fund and other forms of financing are still in the early stage of building, medium and small-sized enterprises direct financing channels to achieve.

(2) Information asymmetry affects the relationship between Banks and enterprises. As the provider of bank capital and can't attend the daily operation and management of funds, and the user (SME) of information asymmetry between will bring the contradictions and problems. Usually, the small and medium-sized enterprises in the management of state owned more than bank information, therefore, have advantages of small and medium-sized enterprises in the process of contract in the event of using the capital or damage the interests of process, bank of bank risk of excessive. Due to the small and medium-sized enterprises and large enterprises in operation ability, mortgage guarantee transparency and the difference, and the size of the loan to the management cost differences, lack of small and medium- sized enterprises for domestic Banks provide more financing services.

(3) Lack of small and medium-sized enterprises and the matching of the small and medium sized financial institutions. At present, the bank is still lack of organizational system for SME's financing service policy Banks, while China's existing in the small and medium-sized commercial Banks such as urban rural credit cooperatives, share-holding commercial Banks, urban commercial Banks, but because they are not financial investment policy and its problems haven't solved, cannot satisfy SME loans. Some small and medium sized financial institutions from the start, not from the state -owned enterprise system, management level is not high, the development ability is insufficient, thus reduced the financial support to small and medium-sized enterprises. The financial system reform is relatively backward, from the planned economy continued financial structure unreasonable problems still not completely effectively solve the small and medium- sized Banks, and private Banks.

(4) Of small and medium-sized enterprises through issuing stocks and bonds are not unblocked financing channels. Our company law shall apply for stock market conditions of the registered capital of a joint stock limited company shall not be less than RMB 5 million yuan, the shareholders of a listed company amount not less than RMB 3000 yuan, public issuance of shares reached more than 25% of the total shares of the company, the company exceeds RMB total share capital of the four billion yuan, the proportion of shares for 10% above, etc, these hard conditions of small and medium-sized enterprises will be rejected, hindering SME's financing through capital market. The law also provides a limited liability company bonds shall be not less than 60 million yuan net worth it, a joint stock limited company shall not be less than 3,000 yuan net, and have strong enterprise guarantee, are not allowed to issue, this series of private enterprise of small

and medium-sized enterprises also limit conditions by issuing bonds financing of space.

1.3 Government departments

Government's supports to small and medium-sized enterprises play an important role. Government retains a planned economy, long-term since, the national policy support to enterprises, although these years national policy change, but did not happen substantial changes. Especially the country executes large state-owned enterprises at present to the preferential policies for small and medium-sized enterprises, and still can't enjoy the preferential policy.

In China, although the difference of small and medium-sized enterprises to reduce rates, two or three year from shall be exempted from income tax preferential tax policy, etc, but due to the small and medium-sized enterprises are small-scale taxpayers, in the process of operation, shall enjoy the preferential policy. Finally often actual

2 to solve our SME financing ways

Due to the financing, enterprises, banking and government tripartite, therefore, to solve the difficulty in financing SME's needs the joint efforts of the three.

2.1 Regulate internal management of small and medium-sized enterprises, improve the comprehensive quality of enterprises

(1) To clarify the rights, establish enterprise joint-stock system. Actively promote enterprise property rights system reform, the only enterprise of property rights, the operator to clarify their behavior and the future development of the enterprise, the enterprise is responsible for the credit can be established. According to the requirements of the modern enterprise system and its own characteristics, the small and medium- sized enterprises energetically promoting SME, joint-stock system reform. Through the property rights transfer, lease, auction share-holding system, etc, speeding up the reform of the small and medium-sized enterprises go enliven pace. In the process of reform, strengthen the voluntary contribution to encourage employees to enterprise staff GuanQieDu assets for the enterprise development, opening up new financing channels.

(2) To standardize enterprise financial system and improve financial management level. According to the relevant provisions of the state, establishing and perfecting the enterprise's financial and accounting systems, don't do the books, establish and improve the system of financial statements, and improve enterprise financial status of transparency and the credibility of the financial statements. Pay the debt and bank actively establish enterprise, payment of the credit system, improve the level of trust companies.

(3) To strengthen internal management, improve enterprise's credit rating. Normally, A level above the level of credit enterprise, financial institutions to consider its financing application, so enterprises to establish A good corporate image, eliminate the bad credit histories, enhances the enterprise prestige degree of reimbursement, vigorously develop products market. Also established a credit rating system of evaluation indexes, and actively cooperate with the government departments concerned, constructing credit system as soon as possible.

2.2 Financial institutions of self- improvement

(1) The financial departments should according to the requirements of the

development of market economy, the reasonable allocation of financial capital, should not go to guide the market with the ownership. In financial regulations, fully utilize rate of market of leverage, the financial market regulation. According to the requirements of small and medium-sized enterprises such as credit amount is small, short time, high frequency characteristics, can properly raising interest rates, booth low cost, make oneself of the credit of small and medium-sized enterprises also forgave unnecessary travel and folk usury of borrowing. In addition, commercial Banks should develop more updates of financial services for small and medium-sized enterprises, improve service efficiency, the credit for the small and medium-sized enterprises to provide relevant information and advisory services, to help small and medium-sized enterprise financial management system of health.

(2) Various financing for common development. Continue to expand the scale of China's stock market, establish the gem, as soon as possible, the enterprise property market directly in state-owned enterprises listed at the same time, allowed conditions for listing of small and medium-sized enterprises into the capital market. Also solve a listed company of its shares in listed state-owned, can realize the circulation problems, shares of stock, promoting the circulation of the gem market as soon as possible. Gem mainly depends on the development of the enterprise, such as potential small and medium-sized enterprises into state-owned enterprises create conditions as soon as possible.

(3) Cultivating and developing bond financing market, develop China investment fund market, promote the development of small and medium-sized enterprises of scientific research innovation ability. In order to support the development of small and medium-sized enterprises should straighten out the issuance examination system, gradually relaxing restrictions, expand the scale of perfect bond issued amount secured credit rating system, support the operation efficiency and repay ability of small and medium-sized enterprises through the issuance of bonds. Also should include convertible bonds issuance of corporate bonds, and actively explore the asset securitization, real estate mortgage securitization, etc. Vigorously promote the open-end fund of the development of securities investment funds, the abundant fund variety, guide savings to investment, while developing venture investment funds.

(4) Establishing and perfecting the bank for small and medium-sized enterprises, specialized service system for small and medium-sized enterprise service. For small and medium-sized enterprise development services to the small and medium sized financial institutions, accelerate the establishment of small and medium sized financial institutions. The small and medium sized financial institutions general understanding of local basic-level, can use local information about the production status of small and medium-sized enterprises, so that small and medium sized financial institutions in providing financial support to small and medium-sized enterprises, with information and transaction costs low. The small and medium sized financial institutions and the common development of small and medium-sized enterprises can promote each other, the two complement each other.

2�3 government should take effective measures to increase the financing for small and medium-sized enterprises.

(1) the government departments for solving the problem of small and medium-sized enterprises financing take a series of policy measures, the people's bank of China on May 6, 1998 by about the improvement of financial services, support the development of national economy, the requirements of the guiding opinions of commercial bank of small and medium-sized enterprises, establish credit loans to small and medium-sized enterprise service, On June 20, 1998 by about further improve financial services for small and medium-sized enterprises, and puts forward the opinion of supporting the development of small and middle-sized enterprises 8 measures, On 19 October 1998, by about expanding in small loan interest rate fluctuation range of notice, decided to expand in small loans floating range, On November 17, 1999, issued on strengthening and improving the financial services for small businesses, puts forward the Suggestions to further strengthen and improve the small financial services 10 measures, Also, the small and medium-sized enterprises established in 2003, the promotion of small and medium-sized enterprises through it marks and to promote the development of small and medium-sized enterprises in China formally standardized and legalized track. Above measure to help small and medium-sized enterprises to obtain funds sources of small and medium-sized enterprises, support plays a positive effect.

(2) Improve our SME funding support policies. The government department mainly preferential tax and

financial subsidies, loans to aid financially support. The preferential tax is the country through lower rates, tax breaks and improve the depreciation of fixed assets, etc. To reduce the tax burden of small and medium-sized enterprises, But subsidies are encouraged by the government of small and medium-sized enterprises of small and medium- sized enterprises, promoting the employment of absorbing science and technology progress and encourage small and medium-sized enterprises to export, the financial aid, The government help small and medium-sized enterprises obtain loans have loan guarantee, loans, the government directly of preferential loans, etc.

Anyhow, want to effectively solve the problem of small and medium-sized enterprises, the financing needs of government, enterprises and the joint efforts of the tripartite bank financing channels, creating a diversified, social credit and perfect social economic environment for the development of small and medium-sized enterprises, and provide a relaxed financing environment.

THE PREPARATION FOR PRINCIPALSHIP IN THE MPUMALANGA PROVINCE (SOUTH AFRICA)

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ABSTRACT

This paper reports on findings from a study on the Advanced Certificate in Education: School Management and Leadership (ACE:SML) programme presented by the School of Open Learning of the University of the Free State for serving and aspiring school leaders in Mpumalanga Province. Based on thematic data analysis and evaluative studies on the preparation for principalship in South Africa, findings from this study shed light on factors influencing principals and aspiring principals' decision to enrol or not to enrol for the ACE:SML programme; the impact of the programme on students' professional and private lives; the role of knowledge and level of commitment by academics, administrators and mentors on students' satisfaction; networking; and the lack of support as a stumbling block to students' success. Limitations of the study are presented. Recommendations are made.