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Section 1. Marketing

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TOWARD A CONCEPTUAL FRAMEWORK FOR THE IMPACT OF TRUST, MOTIVATION, AND CONTEXT ON MARKETING COMFORT

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Abstract

Over the past decade, as companies utilized personal information for marketing purposes, it increased privacy concerns and sparked debates over holding large data sets. The communication privacy management (CPM) theory guides research on an individual's comfort with companies using personal information shared on social media for marketing purposes, or marketing comfort. This study expanded theory application by defining the antecedents, outcomes, and the process, which integrate research from multiple theories and disciplines, influencing trust, motivation, and context, which are three of the factors of the theory. Several propositions are made based on the presented conceptual model. This study postulated the impact of the three factors on marketing comfort based on the CPM theory. The research outlined how people's discomfort with marketing data practices and privacy concerns might be decreased.

Keywords: *communication privacy management theory, marketing comfort, marketing ethics, data practices, privacy attitudes and behaviors*

Introduction

Social media has amplified companies' leverage of online data. Social media's efficacy in marketing has spurred companies to create a digital presence. Such efficacy results from the granted access to information. This access is done through companies' surveillance of communication cycles or engaging with social media users (SMUs) (Aker et al., 2016, Sivarajah et al., 2020). Such data practices do not act under market-

ing ethics or privacy regulations. Companies still cannot define an ethical borderline or the boundaries of marketing data practices. Thus, reflecting individuals' beliefs on marketing data practices, leading to greater discomfort with utilizing personal information for marketing. Thus, engendering arguments of companies knowing individuals' personal information. As companies understand the value of data, these data practices contribute to creating a dilemma.

Despite that, the CPM theory guided the research, but several theories are supporting the three factors of the theory. First, the theory of trust of Mayer et al. (1995) defined the factors affecting trust. Second, the ideology of factors affecting the context is supported by privacy calculus theory, economic theory, and equality theory. Third, motivation follows the research of CPM theory. The proposed model is based on the analysis of the research of Afifi (2003), Petronio (1991), Petronio et al. (1998), Petronio (2002), Petronio (2007). Several theories and studies support the causes of motivation. First, the social representation theory and the structuration theory support the research on social norms and social benefits. Furthermore, the research on social benefits is supported by the CPM theory. Second, value expectancy theory supports the research on social benefits and financial benefits. In addition, the research on financial benefits is supported by Genesys Telecommunication laboratories. Third, the research on informational sensitivity is supported by the CPM theory. Fourth, control of the personal information is supported by the extension of the prospect theory of Choi (2014). Fifth, transparency is supported by information boundary management theory and communication privacy management theory. Finally, contextual-conditional usage is based on the research of Haghirian and Madlberger (2005), Boerman et al. (2021), Smith (1997), Boerman et al. (2017).

Social media marketing comfort

Marketing comfort is defined as individuals' comfort with utilizing available personal information on social media (Jacobson et al., 2020). Comfort has a few aspects that are agreed on. First, comfort is subjective. Second, one's internal and external factors can influence one's comfort. Third, comfort is viewed as a reaction to surroundings (De Looze et al., 2003).

Advertising has remained stagnant with its primary purpose being informing. However, marketing tradition of embracing new technology has enabled marketers to eradicate boundaries and provide real-time interactivity (Sharma and Verma 2018). Today, the facilitation is more of systemizing and targeting data-driven and/or data-informed

advertising content. The flows of information are facilitated because of the data-intensive business environment (Glazer, 1991). However, in some cases, online marketing data practices do not go along with consumers' comfort. Such as Cambridge Analytica-Facebook data scandal (Criddle, 2020), and Facebook-WhatsApp data sharing practices (CURRY, 2022). Digital privacy concerns are not just related to a certain aspect of data practices. This might be because of the deficiency in confidence in companies' data practices (Genesys, 2020). From an individual's perspective, companies' diligence in focusing on privacy policies and terms of service regularly encounter with one's privacy and create concerns (Auxier et al., 2019, Genesys, 2020). Therefore, the absence of comfort is observed in this context when privacy concerns are presented.

Marketing ethics

Despite challenges faced, practitioners should possess ethical virtues such as integrity, fairness, respect, and empathy (Murphy, 1999). If marketing practices are linked to an ethical theory, it would be easier to justify marketing practices to social critics. Therefore, it can foster trust in the marketing system (Laczniaik and Murphy, 2019). However, Marketers' strategies are based on consumers' susceptibility to manipulation because businesses' proposition requires that shopping behavior can be predicted and manipulated (Nadler and McGuigan 2018).

It is unacceptable for SMPs to justify privacy breaching of users (Lucas and Borisov), or justify it by the accessibility of data (Boyd and Crawford, 2012). Privacy concerns are exacerbated by the black-boxing of data-mining processes and the negative consequences of data mining. In the meantime, data collection practices by marketers is justified by notice and consent protocol for advertisements and commercial offers (Nadler and McGuigan, 2018, Kennedy and Moss, 2015, Barocas and Nissenbaum, 2014). From marketers' standpoint, the availability of personal information is not marketer's responsibility. Thereby, marketers can shape data responsibility to maintain one's interests (Cluley, 2020). Eventually, marketing ethics dilemma is viewed when marketers understand the value of consumers

and data but still cannot define an ethical borderline.

Trust

Trust is defined by Mayer et al. (1995) as the willingness of a trustor to be vulnerable to actions of the trustee, which are not monitored or controlled, while the other party is a free agent whose behavior cannot be entirely controlled or even predicted (Gefen, 2000). Therefore, any negative consequence of the nonoccurrence of an event is greater than the positive consequence if it is confirmed (Deutsch, 1958). It results in rising concerns and increasing distrust and discomfort. Thus, urges the co-owner of information to lessen turbulence by reestablishing and coordinating boundaries (Afifi, 2003, Petronio et al., 1998). It is understood that marketing data practices disenfranchise people from controlling how information is utilized (Foxman and Kilcoyne, 1993). This might be because of the abuse of consumers' privacy or a deficiency in transparency (Bright et al., 2021).

The proposed model of trust by Mayer et al. (1995) is the one being followed to define factors affecting trust. It states that ability, integrity, benevolence, and propensity to trust form the factor trust but with considering that the best cultural predictor for propensity to trust is cultural tightness which is the strength of social norms and sanctioning in society (Gelfand et al., 2006). However, it is postulated that companies' ability with using personal information for marketing purposes should have a negative relationship with trust, as it increase privacy concerns. Giffin (1967) has demonstrated that interpersonal and intrapersonal trust can be significantly affected. Today, this is seen by how social media platforms (SMPs) are introduced to reality. Additionally, companies intend to enhance user's perceived supportive climate, acceptance, or sense of psychological safety. Thus, it creates individuals' favorable disposition of marketing data practices. Thereafter, an individual will engage in risk-taking behavior while considering the impact of perceived risk. Eventually, it will yield a desired outcome (Mayer et al., 1995).

Proposition 1: individuals' perceived trust has a positive relationship with one's

comfort with marketers using publicly available social media information.

Based on the theory of trust of Mayer et al. (1995), the following hypothesis are postulated.

Proposition 1a: companies' ability to use personal information for marketing purposes has a negative relationship with the Trust.

Proposition 1b: companies' benevolence has a positive relationship with individuals' perceived trust.

Proposition 1c: companies' integrity has a positive relationship with individuals' perceived trust.

Proposition 1d: individuals' propensity to trust has a positive relationship with one's perceived trust.

Proposition 1e: perceived social norms have a positive relationship with one's propensity to trust.

Proposition 1f: Propensity to trust has a moderation effect on the relationship between ability and trust.

Proposition 1g: Propensity to trust has a moderation effect on the relationship between benevolence and trust

Proposition 1h: Propensity to trust has a moderation effect on the relationship between integrity and trust.

Motivation

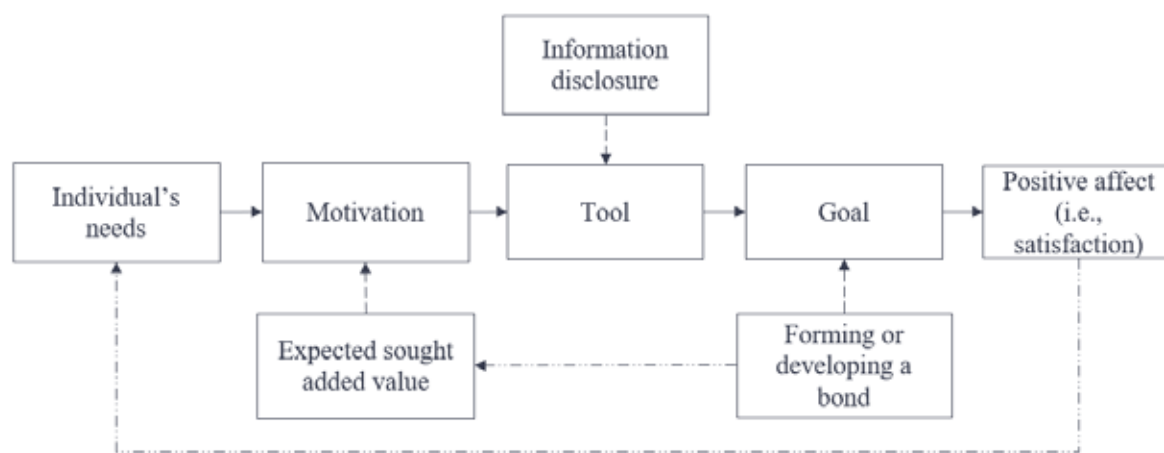
Motivation is defined by American-psychological-association (2022a) as the impetus that provides purpose or direction to behavior. It operates at a conscious or unconscious level. As psychological deficits increase individuals' needs to behave in a certain way, that fulfills one's needs (Alvandi, 2020). In social environments, CPM theory exhibit that in order to develop a bond or express an interest in forming a bond, an individual will disclose information (Afifi, 2003). Thereby, motivation is critical in deciding whether to disclose or conceal information (Petronio, 2007). However, as the social environment demands that individuals open boundaries, individuals respond to these demands with the best of one's abilities. The responses are guided by the extent to which individuals are motivated to meet these demands (Petronio et al., 1998). Finally, information disclosure is guided by the benefit or advantages desired and sought, which in this study is a social benefits or financial benefits

resulting from information exchange, that will provide satisfaction (Petronio, 1991, Petronio, 2007). This is in parallel with the value expectancy theory, which indicate that an individual is motivated to do certain behavior if it is believed that the behavior can achieve a certain desired and significant goal (Almuqrin, 2018).

Proposition 2: Consumers' or social media users' perceived motivation has a positive relationship with comfort with marketers using publicly available social media information.

The proposed model for the process in which the factor motivation reflects in the outcome and the Positive affect is represented in the following figure:

Figure 1. The proposed model for the impact of motivation on comfort



Based on a literacy review within the context of the research, the causals of the motivation to are as follows:

Information sensitivity

As the disclosure of sensitive information may cause harm (Nguyen, 2021), CPM theory supposing that a tension is created because a person may desire to disseminate or conceal information. Therefore, boundaries are established to choose with who and what information to reveal (Petronio, 1991). The significance of sensitivity can be attributed to the existence of risk and the possibility of creating harm (Belen Sağlam et al., 2022).

Milne et al. (2017) indicate that the riskier the information, the more sensitive it is and the less likely to be shared with marketers. Thus supporting Markos et al. (2017) who illustrated that information sensitivity increases privacy concerns and decreases willingness to share information. Individuals are comfortable with the disclosure of information if benefits are present, or if it is required for the use case. However, individuals are not as comfortable with the exchange of sensitive data, and value the social aspects

when disclosing information (Markos et al., 2017).

Proposition 2a: the use of insensitive personal information has a positive relationship with motivation.

Information transparency and awareness

Schnackenberg and Tomlinson (2016) highlighted the perpetual nature of transparency and defined it as the perceived quality of intentionally shared information from a sender. Within the fields of business ethics and information ethics, transparency is referred to as information visibility, which is enhanced by the reduction or elimination of obstacles. CPM theory indicates that it is important to know the communication context for deciding about personal data disclosure. One would create a set of rules for the disclosure decision (Petronio, 2002). While information boundary management theory demonstrate that situational factors, which represent the degree of personalization and transparency offered to a customer, moderate a person's privacy concerns and risk assessment (Hansen, 2007). Consumers are demanding to know what in-

formation is collected and who it is sold to (Dinev et al., 2013). Eventually, to increase comfort, businesses should prioritize control and transparency (Culnan Mary and Milberg Sandra, 1999).

Proposition 2b: transparency has a positive relationship with motivation.

Financial benefits

A literacy review has revealed the importance of the additional value provided to the co-owner of information for information dissemination and usage, including future usage (Kokolakis, 2017, Genesys, 2020). The research of Genesys (2020) on defined the financial benefit as the advantageous additional value. Humans are influenced by the perceived reward maximization attitude (Homoans, 1958). Even when consumers display claims of anxiety, consumers recognize it has financial value (Genesys, 2020). Therefore, individuals exchange it, which constitutes a privacy paradox. The regulatory focus theory highlights that it depends on the mindset— a promotion or prevention focused mindset— which increases the individual's perception that the decision made is right, which will transfer value to the decision outcome (Higgins et al., 2003).

Proposition 2c: financial benefits have a positive relationship with motivation.

Privacy paradox and social influence

Despite rising privacy concerns, SMUs intend to share personal information, which creates a privacy paradox that is defined by Kokolakis (2017) as the phenomenon illustrating the dichotomy between the information privacy attitude and actual behavior.

Various theories delineated the phenomenon, one is by demonstrating the presence of strong motivation for self-disclosure stemming from the essentiality of disclosure for maintaining social lives (Blank et al., 2014). Another perspective that has been used by Lutz and Strathoff (2014) indicates that a collision will end up favoring the emotional rewards of belonging to a community as it outweighs the calculated risks of data misuse (Kokolakis, 2017).

One of the social theories used to enhance the understanding of the phenomenon and the impact of society is the structuration theory. Thus indicating that the reason for having a dichotomy is that social

representation of online privacy is not yet developed as people are relying on established schemes (Kokolakis, 2017). Thereby, social influence affects individuals' behaviors. It includes both the social benefits and the scheme that people understand and follow regarding privacy concerns. As the outcomes of the users' online behavior are not weighted equally, it can be attributed to the fact that the expected benefits of sharing are valued more than the potential risks (Lee et al., 2013). Therefore, it indicates that social influence is a catalyst for a change in comfortability with the usage.

Social benefits

Social benefits are the social advantages gained as the result of the affiliation with a virtual community (Hennig-Thurau et al., 2004). By disclosing information online to fulfill a certain need, an individual is understanding how the information is going to be used within the social context. Similarly, within the marketing context, the online content shared is seen as e-WOM (Powell et al., 2017). However, users tend to underestimate the privacy dangers of self-disclosure (Taddicken, 2014). The social benefits are as follows: 1. social bonding of Powell et al. (2017), 2. approval and impression management of Powell et al. (2017), 3. obtaining a social reward of Hallam and Zanella (2017).

Proposition 2d: social benefits have a positive relationship with motivation.

Social norms

Epstein (2001) defined social norms as self-enforcing behavioral regularities, but once entrenched, it is confirmed without thinking about it. Social norms can either emerge through two methods. First, the interaction of personal preferences and social factors on the behavioral choices of agents. Second, it can be transmitted by imitation because, in economic settings, agents imitate successful strategies rather than a calculation of cost and benefit (Elsenbroich and Gilbert, 2014). Social influence is viewed through the social norms that are correlated with society's impact on individuals, which are as follows: 1-injunctive norms, 2-subjective norms, and 3-descriptive norms.

Proposition 2e: Social norms have a positive relationship with motivation.

Motives of gratification and the contextual conditional usage “advantageous” (CCU)

According to the uses and gratification theory, SMUs will choose different platforms for fulfilling different needs and achieving different gratifications (Weaver Lariscy et al., 2011). These needs can be considered motivation for anticipating in information disclosure behavior (Malik et al., 2016). The intention to fulfill such a need is a motive for gratification, which changes from one platform to another. In this context, it involves:

Contextual usage: the usage of the information within preferred contexts, which are marketing contexts tailored to individuals’ preferences and interests. Some consumers are interested in the advertisement substance that is tailored to one’s interests (Haghirian and Madlberger, 2005). However this might be considered a two-sided weapon, as users might hold negative attitudes resulting from being targeted by personalized ads (Boerman et al., 2021).

Positive conditionality: following the definition of Smith (1997), it is defined within this context as individuals’ promise of the positive-affect in the exchange for fulfilling particular conditions by companies. This can be represented by adding value through advertisements, such as decreasing opportunity costs or increasing knowledge, as the informativeness of the advertising information can add value and incentivize positive reactions to the message (Haghirian and Madlberger, 2005).

Proposition 2f: contextual conditional usage has a positive relationship with motivation.

Control

The prospect theory demonstrate that, from the companies’ perspective, as long as the individual has been consented, concerns do not matter. However, from an individual perspective, the focus is on whether consent is given and meaningful. If a consent is given, it does not always mean that individuals are acting in their own best interest (Choi, 2014). However, Insufficient knowledge about the potential outcomes of revealing personal information represents the problem of skewed decision-making (Solove, 2012), which reflects in individuals’ control over personal

information. Therefore, it is considered that controlling personal information is the core of privacy, which is defined by Clarke (1999) as the interest an individual has in controlling, or at least significantly influencing, the handling of individuals’ data. However, if individuals cannot control personal information, then no one else should have it (Choi, 2014). Finally, providing individuals with control over personal information is mainly to increase comfort (Culnan Mary and Milberg Sandra, 1999).

Proposition 2g: control over the usage of personal information has a positive relationship with motivation.

Context

Context is defined as the conditions or circumstances in which a particular phenomenon occurs (American-psychological-association, 2022b). Following the research of Ashworth and Free (2006) on considering information collection as exchange, it is understood that the collection and usage are exchanged with online benefits. Based on that context, there are two repercussions. 1) the existence of negative outcomes, 2) the presence of judgments about fairness and justice. Eventually, such an exchange might be unfair. This can be the reason co-owners of information appreciate financial benefit as a fair exchange (Genesys, 2020).

By considering the three aspects of comfort mentioned by De Looze et al. (2003), the nature of the factor context is subjective. As an individual intend to maximize one’s benefits, judgments/estimation of the risks and benefits is affecting the factor context. While considering information collection as an exchange, rules of fairness and outcome equality or rules of equity are the circumstances in which comfort occur. Therefore, the context is formed by consumers’ or SMUs’ estimation of the benefits and the risks. 2- fairness, and 3- rules of equality/equity.

Proposition 3: The perceived context has a positive relationship with the comfort of marketers using publicly available social media information.

Estimation

Based on the privacy calculus theory, an individual makes a calculation between privacy loss and potential gains of disclosure. The

final behavior is determined by the privacy trade-off. Disclosure is more likely when the benefits outweigh the risks (Kouklakis, 2017). Disclosure is driven by social needs (Debatin et al., 2009). Therefore, one's decision is based on one's opinion of the pros and cons of using personal information. When the calculation yields a positive estimation, comfort is established.

Proposition 3a: positive estimation / judgements of the benefits and risks has a positive relationship with context.

Fairness

The fairness of the outcome is the organization's perception that it has received a fair share of the divided pie of outcomes and gains from the collaboration. It can provide insight into the perceived reliability and integrity of the other party (Jap, 2001). The utilization of social media data can yield results that are scientifically dubious and ethically problematic (Leonelli et al., 2021). Camerer and Thaler (1995) has indicated that the proposers do not care about the welfare of the other party, but desire equity such as interaction (Jap, 2001).

While in the research of dictatorship games, where the individual has no option but to accept the offer – such as the notice-and-consent protocol—, it is demonstrated that individuals are more likely to share the outcome with strangers in one of the following two scenarios: 1. The relationship is not personal. 2. The proposer (of offers) does not believe that a proposer has earned the right to the outcome (Jap, 2001). This can be observed where SMUs' benefits, which are just social, are being exchanged with the utilization of personal information for marketing. Thereby, it reflects a deficiency in fairness, as the proposers (SMSPs, companies) do not care about the welfare of the SMUs.

Proposition 3b: fairness has a positive relationship with context

Equality

According to Jap (2001), the most common principles for outcome sharing are based on the equity rule and the equality rule. The equity rule indicates that each member's payoffs are a function of its contributions to the collaboration, the greater the contributions, the greater the payoffs. It might be ineffective because each party might debate about

its contribution. It is sophisticated to measure each party's contribution, as SMUs act as consumers or end-users of the product or service, while the other parties are commercial organizations that contribute with idiosyncratic investments or resources (e.g., software, specific expertise, and skill sets). Therefore, each party depends on the other party, to some extent, to achieve its own goals and fulfill the needs (Jap, 2001).

The equality rule demonstrates dividing the outcome into an equal share of payoffs, which can be used with dissension reduction (Deutsch, 1985, Kabanoff, 1991). In such scenario, equality rule has a significant positive effect on relationship quality, especially when both parties *value the payoffs of the collaboration* similarly (Jap, 2001). Accordingly, when equality is established, comfort should occur.

Proposition 3c: equality sharing has a positive relationship with context.

The conceptual model

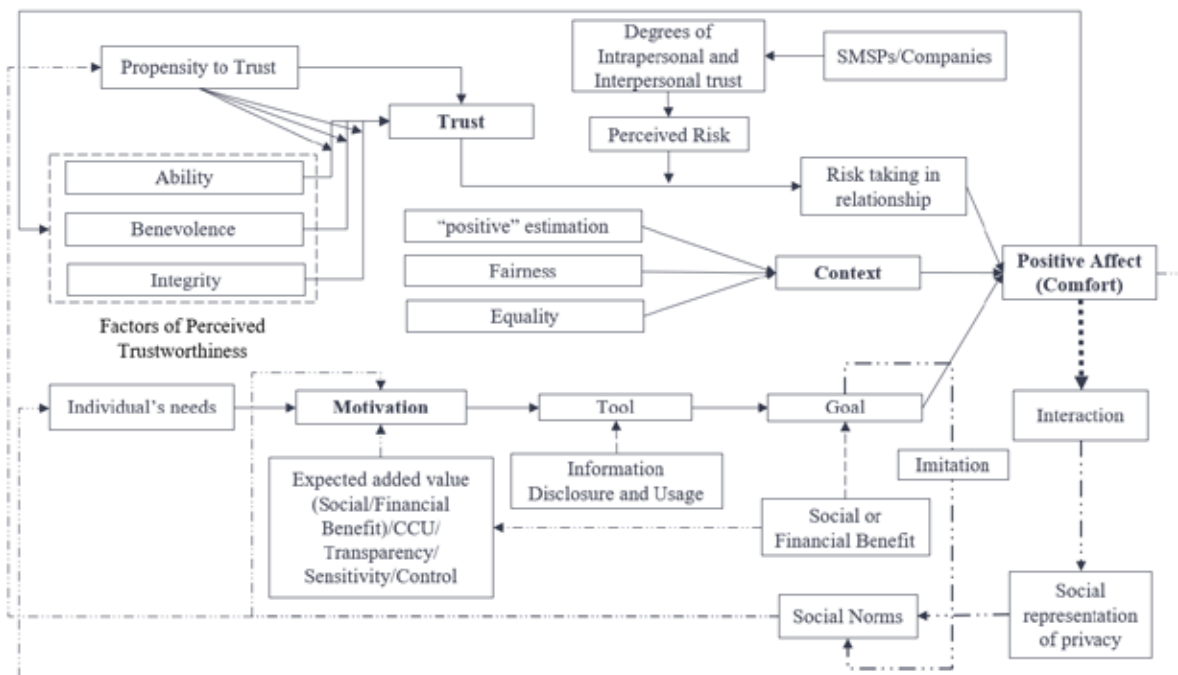
With the collaboration of the CPM theory, figure 2 represents the proposed model for the research. It represents the impact of three factors mentioned in the CPM theory on marketing comfort (MKC). The part at the top represents the impact of trust on MKC, and it is following the model of trust proposed by Mayer et al. (1995), in which ability, integrity, benevolence, and propensity to trust, with considering that the propensity to trust is affected by social norms, form trust. Then an individual will engage in risk-taking behavior taking into consideration the perceived risk, which is affected by companies. Finally, it will yield in the outcome that will affect the perceived trustworthiness. The middle part of the model represents the formation of the factor context by the judgements/estimation of the risks and benefits, fairness of the outcome, and equality sharing. The bottom part represents the process of the influence of motivation on marketing comfort. It is based on the research of Afifi (2003), Petronio (1991), Petronio et al. (1998), Petronio (2002), Petronio (2007). It commences with the realization of psychological deficits, which create individuals' needs, leading the individual to behave in a certain way, in which the causal of motivation plays a significant role. The expected achievable goal, which in this case is social

benefits or financial benefits, led to the expected added value.

The presence of social norms is based on two methods, either through imitation or a social representation of privacy. This is due to an interaction of personal preferences

and social factors on behavioral choices, in which positive affect plays a role. Eventually, information disclosure and usage is a tool to achieve the expected goal and the achievement of goals will lead to the fulfillment of positive effects.

Figure 2. Research model



Conclusion and future research direction

The introduction of social media to marketing has enabled companies to leverage the publicly available personal information posted on social media. Furthermore, marketing data practices do not go along with marketing ethics or privacy regulations. The study defined the antecedents of the three factors of CPM theory, the process in which the three factors affect marketing comfort. The model uses the model of trust of Mayer et al. (1995) to define the variables influencing trust. Then, it differentiates between the antecedents of motivation and the factor motivation. Finally, as companies use personal information is exchanged with benefits, the process is viewed as informational exchange, individuals' estimation of the risk and benefits, fairness, and equality sharing of the outcomes are significant factors forming the context.

Considering that individuals vary in privacy concerns levels, a privacy segmentation index should be used to segment individuals

based on their privacy attitudes and behaviors. The establishment of an online privacy segmentation index is crucial, it can rely on the segmentation index of Dolnicar and Jordaan (2007) but with changing the last behavioral variable from shopping via catalogue to shopping via internet, and with considering disqualifying the second behavioral variable-using internet banking-as individuals who shop online are using internet banking. Therefore, other variables can be introduced such as users' sensitivity to companies requesting personal information (behavioral variable) and tendency to trust companies (attitudinal variable), because privacy-concerned and privacy unconcerned segments have significant differences in these variables. The topic needs to be studied and tested cross-culturally as several variables might be affected by subjective cultural variances. It is recommended for future research to assess the impact of the overall factors of the theory on each privacy segment. Therefore, collecting a huge sample

size is necessary. It is suggested for future research to consider the high correlation between benevolence and integrity by introducing several indicators. Despite that the high correlation is explained by David Schoorman et al. (2016), but it should be considered as it might affect the discriminant validity.

As individuals tend to use each social media platform for specific purposes, it is recommended to consider the relationship between advertisement's gratifications and

comfort. Future research can study social commerce platforms that offer watching advertisements for the users but with a small financial benefit. In addition, social commerce platforms are not used just for social reasons. It is critical for future research to define the ethical borderline behind marketing data practices. Furthermore, identify companies' boundaries to define the appropriateness of marketing data practices.

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Section 2. Management

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MNIMUM LIVING AND POVERTY, ALBANIA COMPARED TO THE COUNTRIES OF THE REGION

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Abstract

The purpose of this article is to determine the living minimum for the year 2022 for Albania, as well as to highlight the impact that the formalized living minimum has on the standard of living of the citizens of a country. Although three decades have passed since the overthrow of the communist regime in Albania, a considerable number of families live in misery. Albania is the only one among the former socialist countries of Eastern Europe, without an official indicator of the defined living minimum, which means that our country currently lacks the basic level of poverty measurement. The payments benefiting individuals unable to work are very low, as well as pensions both in the city and in the countryside are extremely low, social support is in modest amount, and therefore the life of many Albanian families is at the limits of the struggle for survival. There are poor people in every country of the world, even though the goal of every country is to continuously reduce poverty. The living minimum and poverty are generally related indicators of a country's economy and both of them are also related to inequality. If we are going to talk about well-being and the poverty line, we must definitely have defined the living minimum and formalisation of it. The determination of the living minimum and the formalisation of this indicator must be an obligation for our country. On the other hand, the living minimum constitutes one of the most important social indicators of a country, which in a way shows the quality of life of the population. If they have to find out the number of poor families or individuals, we must first formalize the living minimum and then to define how many individuals or families are below this minimum, where is their location and then intervene with social policies and programs differentiated to reduce poverty. The calculation and formalization of the living minimum constitutes the low limit, below which should not have

any type of payment, that is, the minimum wage, the amount of pensions, payment for individuals with limited ability to work and other social indicators must necessarily be at least in the level of the vital minimum. Since the living minimum is a variable indicator and expresses the dynamics of the standard of living of individuals in a society, it should be continuously indexed depending on the country's economic development, inflation etc.

The methodology of this study consists in the use of the secondary data method and the absolute poverty method, a method which is mainly used to determine the living minimum for countries in transition and developing countries such as Albania.

The objectives of this paper is to determine the structure of the basic products necessary for a normal life, the determination of services and other basic needs and the calculation of the living minimum for capita for the year 2022, referring to the previous authors as well as the updating of data for the year 2022, according to the Tirana Institute of Statistics (INSTAT) database.

Keywords: *Living minimum, absolute poverty, relative poverty, minimum wage, basket products, food goods, non-food goods, poverty line*

Intraductin

After the 90s, Albania was involved in the migration of the free movement of people within the country, as well as illegal immigration to different countries of the world. People moved looking for a better life than the one they left behind, the scourge of immigration has not stopped. Meanwhile, we can say that immigration exists in many countries in the region and in the world, and there are also poor people and inequality all over the globe. Overarching objective of governments is to implement social policies and specific programs for poor people and to ensure a dignified life for their citizens. In order to determine the groups in need we must calculate on the objective basis the living minimum and enforce by law, further to extract statistics how many individuals or families have lower income than the living minimum and to intend them on different social programs. The social protection system of a country's population may not be fulfilled if it does not include the formalized measure of living minimum, and on depending in the economic development of the country to pass on the setting of a living minimum that provides a dignified life of individuals and not just survive. So we should expand the list of foods and services involved in calculating of the living minimum and passing through the use of the absolute poverty method of using the relative poverty method for calculating this indicator. The living minimum and poverty are two indicators connected between them, according to author Harvey S. Rosen for measuring poverty we are based on consumption and income. Poverty measurement

based on income, consider all kinds of income from all resources such as work, social transfer, home production, informal support, while measuring poverty based on consumption costs takes all costs incurred for all goods and services consumed, the most preferred method in practice is based on consumption costs (Harvey S. Rosen, 2003). In general, the living minimum is defined as the income level which guarantees that consumption meets the minimum physical and social requirements of human beings (ILO, 2012). Most of all, the concept of a living minimum is referred to a wage needed to enable survival based on a real living cost (Fabio, Brian; Belli, Sharon Sarah, 2017). The living minimum is a law norm that derives from the constitutional law of citizens, moreover there is a general lack of sub-acts of law that determine the living minimum and the change of this indicator timely. Various non-profit organizations, as well as some local researchers through poverty-related works or reports in Albania have calculated a living minimum based on their point of view but still does not have an living minimum officially. In general, the relative poverty method and the method of absolute poverty are used to calculate the living minimum. The relative poverty method is mostly used for developed countries, as the absolute poverty method does not provide appropriate information on the living minimum in these countries and that the countries developed in the process of calculating the minimum is intended to provide a dignified life for individuals and their family and that they consider not only the necessary products and services needed but a variety of

products and services including internet access, book reading etc. In developing countries, but not only (in transition), the method of absolute poverty is used, which consists in determining the minimum needs to have a normal life. According to this method, the living minimum is calculated by determining the minimum needs of the basic basket of products and services, so this method consists in calculating the food poverty line and the non-food poverty line, and both of these give the limit of the living minimum or otherwise the minimum requirements that must be fulfilled in order to live. In Albania, about 40% of the population lives on more less than \$5.5 per day and compared to other countries in the region such as Serbia, Macedonia, Bosnia-Herzegovina, Montenegro, Kosovo, this is the highest level of poverty (Arjana Fullani, Dritan Shano, Mirela Sota, 2018). Families with many children, i.e. large families are the poorest and the groups most at risk of poverty. Regardless of the attention shown by the government for growth of the amount of economic assistance for these groups, this growth has been very low and no impacted on their poverty reduction.

Methodology of the research, purpose and objectives

a) The methodology of this study consists in the use of the secondary data analysis method using a considerable literature. For the calculation of the living minimum indicator for 2022, we are based on the absolute poverty method, a method which is mostly used for countries in transition, or in the less developed economies, as well as for developing countries. In general, the relative poverty method and the absolute poverty method are used to calculate the living minimum. The relative poverty method is mainly used for developed countries or in more developed economies, since the absolute poverty method does not provide adequate information regarding the living minimum in these countries, so the relative poverty goes beyond basic physiological needs. While in developing countries, but not only (and countries in transition), the method of absolute poverty is used, which consists in determining the minimum needs to have a normal life. According to this method, the living minimum is cal-

culated by determining the minimum needs of the basic basket of goods and services, i.e. the food poverty limit or the sum of expenses for food goods and the non-food good, or the total of expenses for necessary services, is calculated. Both of these poverty lines are calculated as the cost of basic food and non-food needs, and further this sum is poverty line or the minimum requirements that must be met to survive. During the process of analyzing the situation regarding the percentage of non-food expenses and the relationship they have with family income, in addition to the Institute of National Statistics of Albania (INSTAT) data, we also referred to the analysis made by the German static engineer Ernest Engel in 1857, who is the first author who has studied the relationship between foods spending and income stability.

b) The main purpose of this study is to measure the living minimum in Albania, for the year 2022, by determining the expenses for monthly food goods per person and the monthly non-food goods per person.

c) Research objectives

The two main objectives of the study are as following:

- Determining the structure of the basic food goods and non-food goods necessary for a normal life, determining the services and other basic needs and calculating the living minimum per person for the year 2022 referring to the previous authors as well as updating the data for the year 2022 referring to the Institute of National Statistics of Tirana (INSTAT).

- Comparison of the living minimum calculated with the amount of social support or payments benefiting individuals unable to work, as well as with the minimum rural and urban pensions

Literature review

The discussions about the living minimum or a payment for a normal living have started on early time of civilization period., Adam Smith in the 18th century spoke about the need for fair payments, the ILO in the constitution that in 1919 defined the necessity of “a minimum wage in order to “provide workers and their families with a satisfactory standard of living”. The Universal Declaration of Human Rights of the United Nations

(UN, 1948) recognizes the need for workers to earn a living wage as determined by the Constitution of the International Labor Organization (ILO, 1919).

The concept of the living minimum has its origin in studies on economic thought since the period of Greek antiquity, while since the beginnings of the thought of political economy this concept has become the object of study of various sciences such as economics, philosophy, social sciences, legal and political sciences (Schulten, Thomas; Müller, Torsten, 2021). Apart from the rich history related to studies by different authors in the world about poverty or the definition of the living minimum, the meaning behind the concept of living wage has mostly been quite stable and straightforward, usually expressed as a wage necessary for survival based on cost real living (Wills and Linneker May1982).

More recently, however, there have been efforts to expand the definition to include parameters of “dignified life,” rather than mere survival, such as the capacity to support families, maintain self-respect, and be free to participate in the civic life of the country in question (Glickman 1999; Brenner 2002).

The living minimum is a fixed level of real income considered sufficient to ensure a minimum standard of living, which includes not only food goods, clothing, but also health care, education and housing. So income is not the only indicator of poverty, but other indicators such as housing, education or even public goods should be considered. Differently from EU countries or beyond, in which the living minimum also includes the mundane needs of an individual, the method used to calculate the living minimum in Albania is the one known as the Absolute Poverty Method. The Absolute Poverty Indicator is calculated on the market value of a quantity of products and services, which is thought to be sufficient to satisfy basic needs (Harvey S. Rosen, 2003). The amount of the subsistence minimum depends, among other things, on the method used to determine this indicator, but this amount also depends on the state and what aspects are included in the formula, which means, for example, in America, during the calculations of the subsistence minimum, access to the Internet or also activities related to pleasure, while in Albania currently only

goods and services for survival can be counted. Furthermore, enforced by law of the living minimum as well as the determination of the elements that will be taken into account in the determination of this minimum, should not have as its goal the further poverty of the individuals of a society, but should constitute a guarantee to ensure them a dignified life. More recently the poverty reduction is the overarching objective for all of countries, but poverty is present both in developed countries and in underdeveloped countries. In different countries, this living minimum is different, even in some countries the living minimum living is different for rural areas compared to urban areas, because some services such as medical care have different costs in rural areas compared to urban ones, house rents they are not the same in all cities or metropolises compared to the provinces. In Albania, there is a lot of talk about the continuous increase in the minimum wage, but the rates of growth are very low and do not even compare with the new rates of inflation, and therefore the poor households being poorer. The minimum wage is low and therefore we cannot talk about defining a living minimum which would ensure a dignified life for individuals and their families. The legal minimum wage does not guarantee that workers will not fall into poverty, on the contrary, it is a sign of being poor (Clean Clothes Campaign). The living minimum and the minimum wage are two important indicators connected to each other, while nowadays the minimum wage is one of the most debated issues in the field of labor policy and the debate on the minimum wage is very polarized. The minimum wage is often defined as a link between employment and income equality. Regarding the ongoing discussions on Social Issues of European Integration, we intend to expand the debate to include the aspect of ensuring minimum living standards, showing the gap between minimum wages and the living minimum in countries that are not yet part of the European Union. In EU countries, which are considered developed countries, the minimum living wage in these countries is calculated at the limit of 60% of the average income per family unit (According to EUROSTAT). Author M. Orchansky has calculated the poverty line for the USA since 1960, this author is

based on the basic calorie needs of one person in a family of four. Based on the calories, the author has calculated the necessary amount of money to buy the necessary products for a normal life, and this amount was multiplied by three, assuming that food expenses account for one third of the total expenses of a family (Ruggles P., 2016). The first living wage law in the United States of 1912 (Massachusetts) states that the income must be sufficient “to keep the worker in health” which means that the income provided must enable individuals more than the cost necessary of existence. Furthermore, the Massachusetts Wage Board, which sets the minimum wage level, interpreted necessary costs as including recreation, vacation, self-improvement, health, and emergency reserve, in addition to food, lodging, clothing, and different random ones (Richard Anker ILO).

For the first time in Albania, the concept of the living minimum was prescribed as a concept in the Labor Code in 1995, but with later changes through the amendments of this document, the concept of the living minimum was also removed.

If the living minimum will be enforced by law, then this obliges the government, through various programs or social protection schemes, to guarantee pensioners and beneficiaries of social and economic assistance a monthly income of at least the living minimum. Different authors in their works have defined the living minimum in Albania in different years, but it is still not an official figure by law. Also, various non-governmental organizations such as Eurostat, the Institute of National Statistics of Albania (INSTAT), the World Bank or the Institute of Economic Studies (ISE) and recently the People’s Advocate. From the Ministry of Economy and the Institute of Economic Studies in 1991, the living minimum for a family with four individuals where only one is employed was 870 ALL (Albanian Leke), however this study by the Ministry of Economy and Institut of Economic Studies was never formalized. By the Tirana Institut of Statistiks the living minimum was calculate for the year 2002 in amount 4891 Albanian Leke per person on month, for the year 2005, 5272 Albanian Leke per person, for the year 2008 the living minimum per person 5722

Albanian Leke and for the year 2012, 6017 per person monthly. In the 1995, the author Luan Shahollari defined the living minimum for a family of four individuals at 4534 Albanian Leke per month. In 1998, the researcher I. Telo determined the living minimum for an employed person at 20,834 Albanian Leke per month and for a family of four at 36,232 Albanian Leke. In 2011, the researcher K. Ziso calculated the minimum living per person 15,072 Albanian Leke and for a family with four members 60,288 Albanian Leke. Meanwhile in an Albanian Center for Economic Research (ACER) report supported by UNDP Albania for the year 2015 the living minimum was set at 16,000 Albanian Leke per person, and for 2019 the living minimum was set at 17,875 Albanian Leke.

Calculation of the living minimum for the year 2022 for Albania and the techniques used

Determining the poverty line is an important indicator in that we are going to talk about countries with a healthy social system, the government for each household that is under this limit should take initiatives such as including these families in food aid programs or in different forms such as coupons or free meals.

Anker (2011) argues that we must be very correct about the definition of the living wage and the determination of the method that we should use to calculate this indicator and that this is a prerequisite for the wide examination of the living wage and the needs of employees, by companies, unions and governments. In general, in developing countries, the living minimum is calculated analytically, dividing people’s expenses into four groups: expenses for food items; expenditure on articles of clothing; expenses for household appliances and furniture and other expenses (electricity, water, heating, detergents, expenses for education, etc.) (ACER, 2013).

So, poverty is not only related to having a certain level of consumption but also to having good living conditions, being safe and being involved in social life (Bici R. and A. Mancellari, 2015). The amount of food consumption to total consumption will serve as reference for determining the non-food cost that must be added to the living mini-

minimum to calculate the full amount of the living minimum. In the calculations of food needs, we have taken into account the grouping of food needs according to proteins and fats and food groups according to FAO recommendations. Cereals and foods rich in carbohydrates 55–75% of calories, proteins 10–15% of calories, fats 15–30% of calories, while vegetables and fruits 400 grams.

Based on the needs for carbohydrates, proteins, fats, sugars and fruits and vegetables, the specific foods of each food group are determined, which will be included in deter-

mining the minimum needs for food goods. The basket of food goods used to calculate the living minimum in Albania for 2022 refers to the recommendations of the Food and Agriculture Organization (FAO). Based on these recommendations, the number of calories per breath per day turns out to be 2288 calories, based on the daily needs for calories provided by each of the necessary food products, in table no. 1 they are presented the types of products, the calories provided by each product as well as the ratio of these calories to the total daily calories.

Table 1. *Basket goods, calories for each product and the ratio to the total*

N ^o	Produktet e shportes	Daily calories from each product	Percentage to total
1	Bread and other dough products (bread and dough)	266	11.63
2	Cereals, flour and pasta	928	40.56
3	Meat	60	2.62
4	Fish	3	0.13
5	Milk and milk products	300	13.11
6	Cooking oil	350	15.30
7	Fruits	11	0.48
8	Fresh vegetables and legumes	101	4.41
9	Preserved and frozen vegetables	99	4.33
10	Sugar end desserts	158	6.91
11	Spices	0	0
12	Soft drinks, tea and coffee	11	0.48
13	Other foods	1	0.04
	Total calories	2288	100

Source: FAO (calories) INSTAT and the World Bank for energy products and Author's calculations 2023

Based on the daily rate of calories for each product, we determine the necessary daily amount in grams that must be consumed by

a person, which is presented in Table N^o 2 below:

Table 2. *Average daily rate in calories and grams*

N ^o	Basket product	Calories for each product	Daily amount in grams
1	Bread and other dough products (bread and dough)	266	116
2	Cereals, flour and pasta	928	263
3	Meat	60	20
4	Fish	3	2.7
5	Milk and milk products	300	100

Nº	Basket product	Calories for each product	Daily amount in grams
6	Cooking oil	350	39
7	Fruits	11	18
8	Fresh vegetables and legumes	101	709
9	Preserved and frozen vegetables	99	600
10	Sugar end desserts	158	43.4
11	Spices	0	0
12	Soft drinks, tea and coffee	11	27
13	Other foods	1	0.13
Total calories		2288	

Source: FAO and Author's calculations 2023

Based on Table Nº 2 where we have determined the daily calories and the amount of each product to ensure these calories, we find the amount for each product per month in kg. Referring to the average prices of the year 2022 obtained by INSTAT for consumer products, we determine the monthly cost in ALL for each product and the sum of all the costs of the products gives us the cost or ex-

penses for food products for one month for capita. Table no. 3 provides data for each item of the food basket for the year 2022, as well as the total figure of monthly expenses only for food products for capita of 7936.11 ALL. Based on this indicator, we will calculate other expenses, so for non-food goods, we intend to determine the amount of living minimum for the year 2022 per capita.

Table 3. *Living minimum for food products in the basket for one month in value per capita*

Nº	Products cart	Daily amount in grams	Monthly quantity in kg	Average prices per kg in 2022 (all / kg)	A month's worth of food for one person
1	Bread and other dough products (bread and dough)	116	3.48	130.48	454.07
2	Cereals, flour and pasta	263	7.89	167.27	1319.76
3	Meat (beef, pork, chicken, small)	20	0.6	731.36	438.82
4	Fish	2.7	0.081	771	62.45
5	Milk and milk products	100	3	484	1452
6	Cooking oil	39	1.17	508.08	594.45
7	Fruits	18	0.54	122.58	66.19
8	Fresh vegetables and legumes	709	21.27	139.31	2963.12
9	Preserved and frozen vegetables	100	3	118	354
10	Sugar end desserts	43.4	1.302	108.22	140.9
10	Spices	0	0		
11	Soft drinks, tea and coffee	27	0.81	111.1	89.99
12	Other foods	0.13	0.0039	90	0.35
Total					7936.11

FAO & INSTAT source and Author's calculations 2023

Based on the above table, the monthly expenses per capita for food goods, which is 7936.11 ALL, for the calculation of other non-food expenses, I will be based on the ratio of these expenses to the total monthly expenses. Referring to the INSTAT “Family Budget Survey 2022”, about 41.3% of the total family budget is spent on food goods, i.e. 58.7% of the family budget is spent on non-food products (water bills, energy, health, education, housing and clothing, etc.) and specifically in the amount of 11,279.66 ALL. So, based on the method of absolute poverty and the minimum needs to survive, an individual needs 7936.11 ALL per month for consumer products and 11279.66 ALL for non-consumer products and a total amount per capita of 19,215.77 ALL. This amount should be used as a guide to determine the amount of minimum rural and urban pensions, the amount of economic assistance, the payment of incapacity for work, etc. In fact, the reality of pension payments, economic assistance or payments for individuals unable to work, compared to the figure calculated for the living minimum for the year 2022, is relatively lower, since pension payments reach an average of 9,500 ALL per month, for economic assistance, about 8,000 ALL per month. The minimum wage has increased from time to time, but the rates of growth have been very low, currently the minimum wage is 40,000 ALL per month gross, while payments for pensions, economic assistance, social support for the unemployed, or for individuals unable to work are much lower than the minimum wage, on average three times lower, while compared to the minimum living wage calculated for 2022. Pensions are 1.5 times lower, economic assistance amount is 1.7 times lower and the payment for individuals unable to work is 1.1 times lower. At a time when inflation is experiencing continuous growth, and concretely referring to the official website of the World Bank for 2022, this indicator was 6.7%, and incomes increase very little, the life of the poor deteriorates even more. Under these conditions, poor families, which are numerous in Albania, must be included in various social aid programs to cope with extreme poverty. In fact, it is somewhat difficult to determine objectively what is necessary for a dignified life,

since several factors influence the determination of the amount of the minimum living wage, such as the type of food consumption products defined as necessary for living, the variety of non-food products included in the calculation and considered necessary, the prices of each group as well as the methods used to calculate the living minimum. For countries like Albania, since the use of the absolute poverty method is recommended, and the diversity of consumer products consists in meeting the minimum needs for life, as well as for non-food products. Meanwhile, in developed countries that aim for a dignified life for citizens, the variety of food and non-food products is greater.

Albania compared to other countries in the region and beyond

According to the World Bank, during the year 2022 about 30.8% of the Albanian population lived in poverty and the phenomenon will be stable until the end of 2023, where 29.3% of the country’s population will live on less than 5 dollars a day. According to World Bank measurements, Albania has the highest level of poverty in the region. Kosovo, which ranks second, has poverty at 24.4%, Serbia ranks third with 19.8%, Macedonia with 17.9% and Montenegro with 16%. Despite the strong cyclical recovery, the pandemic has reversed previous achievements in poverty reduction. The World Bank estimated that in 50 countries of the Central Europe and Asia Region by the end of this year, COVID-19 has impoverished about 4.3 million people. The World Bank analyzes that although economic growth post-Covid-19 is strong, it is not showing all-inclusiveness. Many people continue to be poor by job losses and reduced working hours, high inflation, especially for food products. The living minimum of 19215.77 ALL, defined in this article for the year 2022 is a relatively low figure if we compare it with the countries of the region, such as Macedonia and Montenegro, etc. According to EURSTAT and OPEN DATA Albania, the living minimum for the countries of the Western Balkans for 2020 was, Albania 126 euros, North Macedonia 149 euros, Serbia 187 euros, Montenegro 196 euros, and the average of the Western Balkans is 164, and it is clear that Albania

is at the bottom in terms of the living minimum per year. Likewise, compared to the countries of the former socialist block, the minimum living wage per person per month for Albania is very low, referring to EUROSTAT and OPEN DATA Albania for 2020, Romania 213 euros, Bulgaria 231 euros, Hungary 324 euros, Lithuania 430 euros, Slovakia 435 euros, Latvia 441 euros and Poland 401 euros. As far as EU countries are concerned, the country with the highest level of living minimum for 2021 is Luxembourg, with a value of 2,124 euros/month per person. The second country with the highest limit of the living minimum measured in the form above is Denmark with a value of 1,604 euros/month. The Netherlands, Ireland, Austria and so on follow. The countries with the lowest value of the living minimum within the European family are Romania (242 euros/month), Bulgaria (258 euros/month), Hungary (331 euros/month) (OPEN DATA ALBANIA).

The average of living minimum for all EU countries was 869 euros/month for 2021, while for 2020 it was 839 euro. The European Union uses the poverty risk threshold indicator to measure the living minimum. The poverty risk threshold is calculated at the value of 60% of the average equalized disposable family income. Can the vital minimum of 19,215 lek be considered sufficient to ensure a dignified life for individuals? Without hesitation the answer would be no.

In order to provide individuals with a reasonable standard of living, we must rise above the concept of the living minimum. According to the many authors who have studied this indicator, a reasonable standard of living is considered the standard which meets the physical, psychological and social needs of a person. A reasonable standard of living does not mean that a person should live at a level of luxury but neither does it mean that a person should live only at the level of survival. It should be possible for the person to eat healthy foods, have clothes for different weather and situations, keep the house neat and clean, have furniture and equipment at home for rest and entertainment, be able to devote time to leisure activities, and read books, newspapers and watch television (Disability Service Ireland, 2013)

Nowadays, if we are going to talk about a reasonable standard of living, we should consider the standard based on needs and not on desires, and apparently Albania has a lot of work to do in this matter. As a conclusion, we can say that a reasonable standard of living is a minimum standard that enables the provision of basic living expenses and that this level should be higher than just the minimum for survival. The National Anti-Poverty Strategy of the European Commission recommends that: "Policies that are based on income should aim to ensure sufficient income for all individuals in order to get out of poverty and live in a manner compatible with human dignity" (Poverty Reduction Agency, 200).

Conclusions and recommendations

Conclusions

— The state in Albania has not given legal force to the living minimum. The first important definition of the living minimum in Albania is defined in the Labor Code in 1995, but with the later amendments to the Labor Code, the concept of the living minimum has been removed.

— As far as the social protection framework is concerned, if we do an elementary comparative analysis, it turns out that the minimum pensions, economic assistance, unemployment payment and permanent unemployment payment are lower than the calculated level of the vital minimum per capita per month for the year 2022 of 19,215 ALL.

— Referring to this indicator, Albania ranks lower than the countries of the Western Balkans, as well as much lower than the countries of the former Socialist Bloc, a bloc in which Albania itself was a part.

— In a disconnected way, different national authors have calculated the living minimum for Albania, while an annual chronology is missing

— Moreover there is lack of information, which should be easily accessible for purposes of calculating of the living minimum.

— If we are going to overcome from the concept of the vital minimum to that of a reasonable standard of living, aiming to provide individuals with their basic right to a decent life, it would be considered a very important step for the population's standard of living.

Recommendations

1. The living minimum must be enforced by law in Albania as well as reflection in the legislation of the continuous indexation of this indicator.

2. Ensuring the necessary data base related to the basket of food goods (consumer products).

3. The publication of the basic needs for daily calories, and the percentage of each

product calories in the total calories of the basket of food goods.

4. The living minimum should be a guide for the drafting of social policies that aim to change the standard of living of the population, targeting the poor households that should be included in social support programs, determining pensions, economic assistance and the minimum wage at the country level.

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Section 3. Standardization and product quality control

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ON THE RELATION BETWEEN THE READINESS FRONTIER TECHNOLOGIES INDEX AND ISO 9001:2015 STANDARD INDEX

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Abstract

Improving life quality is necessary for humans to use technology and standards in all of their activities. The primary goal of this research was to determine the relationships between the readiness frontier technologies index and quality management. This was accomplished by conducting a regression analysis between the readiness frontier technology index and the ISO 9001 Index to compare Hypothesis H1 (no relationship between the RFT Index and the ISO 9001 Index) to Hypothesis H0 (strong relationship between the RFT Index and the ISO 9001 Index). The study discovered that, while humans strive to better their quality of life, there is no link or association between readiness frontier technology and quality management (as expressed primarily in ISO 9001:2025 standards). The research concludes that all interested parties, individuals, public and private institutions, decision-makers, and civil society should look forward to improving life quality by applying quality management principles and ISO standards as efficient and effective tools, combined with technology usage and that all parties should look forward to building relations and connections between RFT Index and ISO standards, which are currently lacking.

Keywords: *readiness frontier technologies index, ISO 9001:2015 index, quality management, life quality*

Introduction

Life quality requires standards and technologies advancement. Quality of life (QOL) is defined by the World Health Organization as “an individual’s perception of their position in life in the context of the culture and value systems in which they live and about their

goals, expectations, standards, and concerns” [1]. Standard indicators of the quality of life include wealth, employment, the environment, physical and mental health, education, recreation and leisure time, social belonging, religious beliefs, safety, security, and freedom (Gregory, Derek; Johnston, Ron; Pratt, Ger-

aldine; Watts, Michael; et al., 2009; Martha Nussbaum and Amartya Sen, ed. 1993; Barcaccia, Barbara, 2013). QOL has a wide range of contexts, including the fields of international development, healthcare, politics, and employment. Health-related (HRQOL) is an evaluation of QOL and its relationship with health (Bottomley, Andrew. 2002).

It is considered that there is a substantial relationship between technology and quality management ideas, especially with ISO standards, the most important of which is ISO 9001:2015.

This was the main question investigated in this study, which employed quantitative approaches in conjunction with regression analysis to investigate the correlations between the FRT Index and the ISO 9001 index.

There were previously separated existing data and materials about the preparedness frontier technologies index, quality management, and ISO 9001:2015, as well as previously published works and research publications, books, and online libraries.

It is believed that scientific management, including quality management, combined with technology use, creates opportunities for life quality improvement, ensuring future generations' normal life and societal wealth, and promoting economic growth, at a time when factors of production are becoming increasingly vulnerable to risks of misuse, damage, pollution, and corruption, among other things.

To achieve and maintain life quality and sustainable development scenarios, all interested parties, individuals, and public and private institutions, particularly decision-makers and civil society, must improve the situation because there is a lack of methods, systems, techniques of use, and management of production factors, as well as a lack of quality management principles and standardizations on the subject.

Improving technology usage and quality management principles and standards can improve the quality of life for individuals and societies.

Literature review

Readiness frontier technology index

The United Nations Conference on Trade and Development (UNCTAD) published a re-

port titled "Technology and Innovation" in 2022. The study is a valuable tool for guiding policies and strategies for leading-edge technology adoption. UNCTAD ranks countries' economies in terms of their respective "Country-Readiness Index" in this report. The Index assesses economies based on their ability to use, adopt, and adapt "frontier technologies" equitably. The index is made up of five components, which are as follows (UNCTAD. 2022).

ICT Infrastructure Deployment – This is the level of ICT infrastructure. Using, adopting, and adapting cutting-edge technologies necessitates adequate ICT infrastructure, particularly as AI, IoT, big data, and blockchain are all internet-based technologies. Two components of ICT infrastructure must be considered: the prevalence of access to ensure that no one is left behind, and the quality of infrastructure that allows for more advanced and efficient use. For these reasons, internet users as a percentage of the population reflect the presence of internet infrastructure, whereas mean download speed reflects the quality of the internet connection.

This block seeks to measure the level of the spread of information and communication technology to ensure access to all societies, and to evaluate the quality of infrastructure that allows for more use that is effective and includes (1) Internet users (percentage of population), and (2) Mean download speed (Mbps) (UNCTAD. 2022).

Skills – Using, adopting, and adapting frontier technologies needs people equipped with relevant skills. These may be advanced but are generally lower than those required to originate the technologies. Two types of skills need to be considered: skills acquired through education and skills acquired in the workplace through practical training or learning by doing. The overall educational attainment of the population is measured through expected years of schooling, while the skill level in the labor market is measured by the extent of high-skill employment – defined by the ILO as the sum of managers, professionals, and technicians and associate professionals following the International Standard Classification of Occupations (ISCO). These indicators need to be interpreted with caution, especially in

developing countries, because of the emigration of highly trained or skilled people, the “brain drain”, as a result of which the actual skill level could be lower than the official estimate. This block seeks to measure the skills required to support the adoption of the concept of technology based on acquiring knowledge through the educational environment, and acquiring skills through the work environment and includes 1) Expected years of schooling, and 2) High-skill employment (% of the working population) (UNCTAD. 2022).

Research & Development – R&D work is required not only for the development of cutting-edge technologies but also for their adoption and adaptation, as these technologies frequently require adjustment or modification for local applications. The number of publications and patents filed on a country’s 11 frontier technologies is used to measure R&D activities. The publication and patent search queries used are identical to those described in the Technical note in Annex B, except for the year of interest, which is a single year for the index rather than 1996–2018. The authors’ and patent assignees’ countries of publication were investigated. It should be noted that there are informal R&D operations that may not result in a publication or patent, so the R&D scores may not reflect the actual scale of activities. This block is considered essential to measure the extent to which countries can improve technology and match it with the requirements of the local market and includes 1) the Number of scientific publications on frontier technologies, and 2) the Number of patents filed on frontier technologies (UNCTAD. 2022).

Industry Activity – This building element intends to record ongoing industry actions relating to the use, adoption, and adaptation of cutting-edge technologies. It looks at three industries that are early adopters: manufacturing, with high-tech manufacturing leading the way; finance; and ICT, which interacts with other technologies. Then it employs export data on high-tech manufacturers as well as digitally deliverable services in finance and ICT. However, particularly in developing nations, operations are carried out by enterprises in the informal sector, which are frequently excluded from official

statistics. As a result, the scores from these countries may be lower than the real activity. This block measures the ability of the local industry to manufacture advanced technology and export digital services, and includes 1) High technology manufactures exports (% of total merchandise trade), and 2) Digitally deliverable services exports (% of total service trade) (UNCTAD. 2022).

Finance – This analyzes the availability of private-sector finance. Better access to funding could hasten the use, adoption, and adaptation of cutting-edge technologies. Domestic credit to the private sector as a proportion of GDP was chosen as part of the index for this purpose. This statistic measures financial corporations’ resources, such as finance and leasing companies, money lenders, insurance companies, pension funds, and foreign exchange companies. It also comprises a variety of financial instruments like loans, non-equity securities purchases, trade credits, and other accounts receivable. However, alternative, unorthodox finance providers or financial instruments may exist that are not adequately represented by this measure. This block seeks to measure the availability of financing to the private sector and the resources provided by other financial companies to the private sector and includes the Domestic credit to the private sector (% of GDP).

And based on data for these five subindexes, the Readiness Frontier Technology Index was calculated (UNCTAD. 2022).

International Standards Organization and quality standards

The International Standards Organization (ISO) improves life quality by aiding members in maximizing the benefits of international standardization and assuring ISO standard acceptance. ISO standards directly address the three major domains of life quality: economic, environmental, and societal factors (URL: <https://www.iso.org/sdgs.html>). ISO has released over 25 000 worldwide Standards and related documents, expressing globally accepted ideas and frameworks based on global collaboration. They are crucial tools for governments, industry, and consumers to contribute to life quality enhancement since they are built on consensus. ISO has determined the standards that

contribute the most significantly to achieving the United Nations Sustainable Development Goals too, and several ISO standards correspond to each of the SDGs. ISO's standards help to make the 2030 Agenda a reality, ensuring that no one falls behind (Sergio Mujica, 2023; ISO. 2018).

Quality Management, doing business, and global trends on ISO Certificates (Rose, Kenneth H., 2005)

Quality management is the act of overseeing all actions and obligations required to maintain a goal level of excellence. Quality assurance and planning, as well as quality control and improvement, are all part of this. Quality management ensures that an organization, product, or service is consistent. It is separated into four sections: quality planning, assurance, control, and improvement (Ceko Enriko, 2013). Quality management is concerned not only with product and service quality but also with the techniques for obtaining it. Quality management involves quality assurance and control of processes as well as products to achieve more consistent quality. Following corporate rules and guidelines, such as ISO certificates, which are more focused on the quality of procedures that private and public subjects follow, resulting in higher-quality products and services (ISO. 2014), is one technique to achieve quality management.

Because societies require regulation, and businesses are no exception, ISO certificates are now part of business and trade regulations because they are the minimum requirements for the characteristics of processes, products, and services used by private and public entities/subjects to be acceptable to their clients and markets. These qualities are essential for modern private and public companies. When markets are left unregulated, undesirable outcomes and, ultimately, poor living conditions for citizens occur.

When starting a new business or entering a new phase of enterprise development, entrepreneurs must establish certain procedures and standards to allow the business to live beyond minimum frontiers, export and import, participate in public procurement procedures, and finally attract as many clients as possible to maximize profits and achieve other business objectives. All of these issues

relate to standards, which make commercial transactions easier and allow businesses to run more efficiently. ISO 9001:2015 is one of the most commonly used ISO standards, with over 1.3 million certificates issued worldwide (Ceko Enriko, 2022).

Research framework, the purpose of the case study

The research framework was the worldwide and global ecosystem linkages between the Readiness Frontier Technologies Index and the ISO 9001:2015 index.

Given the scarcity of numerical, statistical, and algebraic reasoning on the links between the RFT Index and the ISO 9001:2015 Index, this study employs a theory-building technique to address the following research questions:

1 Ho: There is a strong connection/relation between RFT Index and ISO 9001:2015 Index.

2 H1: There is not a string connection/relation between RFT Index and ISO 9001:2015 Index.

Methodology

While acknowledging the significance of connections/relationships between readiness frontier technologies and ISO standards, particularly ISO 9001:2015, prior empirical research does not explain statistically verified, if there is any connection/relation between them; thus, theory development, supported by analysis and evidence, is required. The exploratory technique should be used in conjunction with a single-depth case study approach, which is ideal for building a full understanding of a phenomenon and allowing for a closer exploration of theoretical structures.

Case selection

The scenario was chosen based on three major criteria: a theoretical approach, the applicability of genuine beneficial impacts of relationships on the RFT Index, and ISO 9001:2015 Index links. The case project was separated into three stages: 1) identifying needs for technology usage, 2) identifying needs for quality management and ISO 9001:2015 certification, and 3) identifying nations' rankings for RFT and ISO 9001:2015 certification.

Data collection

The data for the RFT Index came from the UNCTAD Report 2022, an annual ranking of countries based on their technological progress.

The ISO 9001:2015 index was created using data from the ISO Certifications Report 2022.

HitHorizon offered information on the number of businesses registered globally.

I built the ISO 9001:2015 Index by dividing the number of ISO certificates awarded to each nation by the number of enterprises registered in the country, obtaining the ISO 9001:2015 index per country, and then creating a list of countries based on this index (Sergio Mujica, 2023).

Data analysis

RFT and ISO 9001 standard indicators were correlated and regressively analyzed (inferential statistics) in 128 countries worldwide.

The RFT Index (taken from the UNCTAD Report 2022) and the ISO 9001:2015 Index (created as indicated in the preceding paragraph) are mentioned in the table below.

I developed a regression between the SDG Index and the number of ISO certificates given per country using this data and secondary sources. The ISO 9001 index is determined by dividing the number of ISO 9001 certificates issued in each country by the country's total number of business entities.

I ran a regression analysis between the RFT Index and the ISO 9001 Index after listing countries based on this index, which revealed that the relationships between the RFT Index and the ISO 9001 Index are not strong, confirming the H1 hypothesis, "There is no relation between the RFT Index and the ISO 9001 Index", as opposed to the Ho hypothesis, "There is a strong relation between the RFT Index and the ISO 9001 Index".

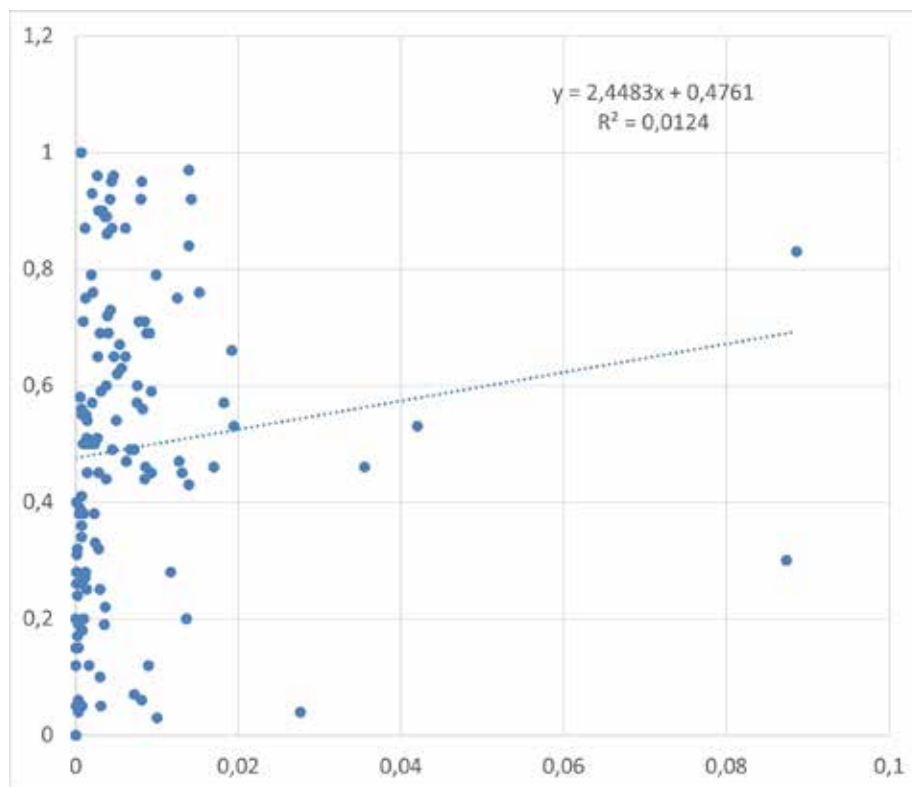
Table 1. List of countries based on the ISO 9001:2015 index and RFT Index

Nº	Country	ISO 9001 index	Readiness Index	Nº	Country	ISO 9001 index	Readiness Index
1	Spain	0.0886	0.83	23	Serbia	0.0093	0.59
2	Azerbaijan	0.0874	0.3	24	Slovakia	0.0091	0.69
3	Belarus	0.042	0.53	25	Benin	0.0089	0.12
4	Qatar	0.0355	0.46	26	Slovenia	0.0087	0.69
5	Sudan	0.0276	0.04	27	Macedonia	0.0086	0.46
6	Kuwait	0.01947	0.53	28	Georgia	0.0085	0.44
7	Greece	0.0192	0.66	29	Portugal	0.0085	0.71
8	Chile	0.0182	0.57	30	Croatia	0.0082	0.56
9	Iran	0.017	0.46	31	Mozambique	0.0081	0.06
10	Italy	0.0152	0.76	32	Singapore	0.0081	0.95
11	Germany	0.0142	0.92	33	Ireland	0.008	0.92
12	B&H	0.0139	0.43	34	Malaysia	0.00777	0.71
13	Israel	0.0139	0.84	35	Romania	0.00756	0.6
14	Switzerland	0.0139	0.97	36	Bulgaria	0.0075	0.57
15	Pakistan	0.0136	0.2	37	Argentina	0.0072	0.49
16	Morocco	0.0131	0.45	38	Djibouti	0.0072	0.07
17	Brunei	0.0127	0.47	39	Viet Nam	0.0067	0.49
18	Czech Rep.	0.0125	0.75	40	Uruguay	0.00624	0.47
19	Guatemala	0.0117	0.28	41	Montenegro	0.0062	0.47
20	Yemen	0.01	0.03	42	Japan	0.0061	0.87
21	Austria	0.0099	0.79	43	Latvia	0.0061	0.65
22	Oman	0.0093	0.45	44	UAE	0.00562	0.63

№	Country	ISO 9001 index	Readiness Index	№	Country	ISO 9001 index	Readiness Index
45	Hungary	0.0054	0.67	87	Maldives	0.00138	0.25
46	India	0.0051	0.62	88	Tunisia	0.00134	0.51
47	Bahrain	0.005	0.54	89	South Africa	0.00128	0.55
48	Lithuania	0.0047	0.65	90	Ghana	0.0012	0.28
49	UK	0.00464	0.96	91	Russia	0.0012	0.75
50	Panama	0.0045	0.49	92	Luxembourg	0.00116	0.87
51	Finland	0.00444	0.87	93	El Salvador	0.00114	0.27
52	Netherlands	0.0044	0.95	94	Honduras	0.001	0.2
53	Poland	0.00426	0.73	95	Sri Lanka	0.001	0.38
54	Denmark	0.0042	0.92	96	Kazakhstan	0.00095	0.5
55	Malta	0.004	0.69	97	Iceland	0.00091	0.71
56	Estonia	0.0039	0.72	98	Uganda	0.00083	0.18
57	Norway	0.00384	0.86	99	Ethiopia	0.00078	0.05
58	Canada	0.0038	0.89	100	Bangladesh	0.00076	0.26
59	Colombia	0.00375	0.44	101	Turkey	0.000747	0.55
60	Philippines	0.00373	0.6	102	Ukraine	0.00074	0.56
61	Myanmar	0.00363	0.22	103	Namibia	0.00073	0.34
62	France	0.0036	0.89	104	Moldova	0.00071	0.41
63	Iraq	0.0035	0.19	105	Peru	0.0007	0.36
64	Australia	0.0033	0.9	106	USA	0.000654	1
65	Guinea	0.0031	0.05	107	Barbados	0.00055	0.58
66	Thailand	0.0031	0.59	108	Armenia	0.0005	0.39
67	Kyrgyzstan	0.003	0.25	109	Egypt	0.00047	0.38
68	Tajikistan	0.003	0.1	110	Burkina Faso	0.00036	0.06
69	Cyprus	0.00296	0.69	111	Laos	0.00035	0.19
70	Trind&Tobg	0.00284	0.45	112	Botswana	0.00034	0.26
71	Belgium	0.0028	0.9	113	Cameroon	0.00033	0.15
72	Jamaica	0.0028	0.32	114	Haiti	0.00033	0.04
73	Brazil	0.0027	0.65	115	Belize	0.00025	0.32
74	Sweden	0.00266	0.96	116	Senegal	0.00023	0.24
75	Costa Rica	0.00265	0.51	117	Togo	0.00022	0.17
76	Dominic. Rep	0.0024	0.33	118	Algeria	0.0002	0.31
77	Lebanon	0.00235	0.5	119	Cambodia	0.00015	0.26
78	Albania	0.0023	0.38	120	Rwanda	0.00015	0.15
79	China	0.0021	0.76	121	Kenya	0.000134	0.28
80	Korea Rep	0.00199	0.93	122	Indonesia	0.00011	0.4
81	Saudi Arabia	0.00199	0.57	123	Nepal	0.000098	0.26
82	New Zealand	0.0019	0.79	124	Sierra Leone	0.00008	0.05
83	Malawi	0.00165	0.12	125	Tanzania	0.00003	0.12
84	Jordan	0.0016	0.5	126	Zambia	0.00002	0.15
85	Mauritius	0.00144	0.45	127	Gambia	0.0000087	0
86	Mexico	0.0014	0.54	128	Nigeria	0.000008	0.2

The graph below represents a graphical regression analysis that shows there is no

strong connection/relationship between the RFT Index and the ISO 9001: 2015 Index.



The three tables that follow provide statistical information on the connections/relationships between the RFT Index and the

ISO 9001:2015 index, with $R^2 = 0.12414$ suggesting a weak connection/relationship between these two indexes.

SUMMARY OUTPUT	
Regression Statistics	
Multiple R	0.11142
R Square	0.012414
Adjusted R Square	0.004576
Standard Error	0.267869
Observations	128

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.113649	0.113649	1.583875	0.21053
Residual	126	9.040994	0.071754		
Total	127	9.154643			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.476053	0.026954	17.66147	6.89E-36	0.422711	0.529395	0.422711	0.529395
ISO 9001 index	2.448349	1.945418	1.258521	0.21053	-1.40158	6.298273	-1.40158	6.298273

These findings demonstrate that there is no connection or relationship between the RFT Index and the ISO 9001:2015 Index in practice.

Theory and Practice Implications

Concerning the theory, based on the final results of this research, a new window has been opened for further research on the field of relationships between technology development and quality management, particularly between the RFT Index and the ISO 9001:2015 Index, both of which are regarded

as tools for improving life quality all over the world.

Limitations and further research

This study was conducted utilizing a large amount of RFT Index data and presenting for the first time statistics on the ISO 9001:2015 Index for the year 2021.

More study is needed to confirm that these relationships will be strengthened in the future, making RFT and the ISO 9001:2015 standard real tools for life quality improvement all around the world.

Conclusions and Recommendations

1. Scientific management of factors of production creates opportunities for long-term technology development, ensuring future generations' normal life and societal wealth, promoting economic growth, and improving quality of life without harming the environment, and this is urgently needed, using quality management principles and ISO standards as efficient and effective tools.

2. On the other hand, scientific management of production aspects involves the adoption of ISO standards, thus there should be a link and relationship between the RFT and ISO standards, ISO 9001:2015.

3. The research concludes that all interested parties, including individuals, public

and private institutions, decision-makers, and civil society, should strive for and maintain sustainable development scenarios by utilizing quality management principles and ISO standards as efficient and effective tools. As an immediate priority, all stakeholders should work to establish the missing relationships and links between RFT and ISO standards.

4. There are no long-term and significant links between technology development and quality management / ISO standards, particularly the ISO 9001:2015 standard.

5. Improving quality management systems and adhering to ISO standards, in parallel with working toward technology development goals, will have a genuine impact on improving life quality around the world.

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