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Does the Individual Environment, Social, Government Score Could Mitigate the Financial Distress Risk ?

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A B S T R A C T

This research paper investigates the impact of the Individual Environment, Social, Government (ESG) score on mitigating financial distress risk. The study examines the individual components of the ESG score, specifically focusing on the environmental, social, and government scores. The results indicate that while the environmental and government scores have a significant effect toward the financial distress risk, the social score does not show a significant impact. These findings suggest that organizations should prioritize environmental and government factors when assessing and managing financial distress risk while considering the limited impact of social factors. This study provides valuable insights for decision-makers in formulating effective risk mitigation strategies.

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INTRODUCTION

Financial distress is a critical area of study in the field of management due to its significant implications for corporate performance and sustainability. Several studies have emphasized the importance of understanding financial distress and its determinants (Kazemian et al., 2017; Li et al., 2008; Mevania et al., 2022). The presence of financial constraints within companies is undeniably intertwined with the management's role in effectively executing business activities. It is also could impose significant externalities on key stakeholders, including taxpayers, (Citterio & King, n.d.,2022) or even the companies public's trust. As a result to face the possibility of default, companies have been impelled to adopt patterns and strategies of socially responsible action to secure their reputation and status (Almubarak et al., 2023). With the intention of heightened interest stems from the mistrust in corporate actions and behaviors, Environment, Social, Government (ESG) has recently become a significant focus area for this issue cause of its effect on the companies to work on how to rebuild stakeholder trust by enhancing their dedication to ethical practices, ensuring transparency, maintaining accountability, and promoting social development (Kim, Park, & Lee, 2018).

The relationship between Environmental, Social, Government and financial distress risk has been a topic of increasing interest in the literature. Prior research has shown that socially responsible firms may behave differently in terms of financial risk compared to other firms (Boubaker et al., 2020). Studies have provided empirical evidence of the influence of ESG on financial distress risk, shedding light on the potential for ESG practices to mitigate such risk. For instance, research has shown that ESG performance during times of financial crisis, such as the COVID-19 pandemic, can play a significant role in influencing the financial risk faced by firms (Broadstock et al., 2021). Furthermore, the relationship between ESG and corporate financial performance has been empirically examined, with evidence suggesting a positive connection between ESG disclosure and firm performance (Habib & Mourad, 2023). The impact of sustainability reporting and inadequate management of ESG factors on corporate performance and sustainable growth has been investigated, providing insights into the potential linear relationship between ESG factors and financial performance (Oprean-Stan et al., 2020).

The existing literature has addressed various aspects of the relationship between Environmental, Social, and Governance (ESG) scores and financial distress risk. Some studies have focused on the role of ESG performance during financial crises (Broadstock et al., 2021), while others have examined the impact of ESG practices on reputational damage and financial penalties (Murè et al., 2020). Additionally, research has explored the relationship between financially distressed firms and ESG reporting (Harymawan et al., 2021). There is evidence suggesting that responsible ESG practices might mitigate a company's financial risk and reduce expectations of adverse financial events (Bax et al., 2021). Moreover, the influence of ESG information disclosure on enterprise financial risk has been highlighted as a factor that can reduce financial risks and improve financial performance (Liu & Lin, 2022).

These references collectively indicate a need for further exploration into the specific mechanisms through which ESG practices and reporting can mitigate financial distress risk. While existing studies have provided valuable insights into the relationship between ESG and financial outcomes, there is a gap in understanding the precise pathways through which ESG factors influence financial distress risk.

In order to navigate to which factors the ESG could affect the financial distress risk, this research is conducted. The research benefit of this paper lies in contributing to the understanding of how corporate social responsibility (CSR) and sustainability practices can impact financial distress risk and bankruptcy probabilities. By examining the relationship between CSR and financial distress, the paper can provide valuable insights for firms and policymakers in enhancing financial stability and crisis resistance in economies. The findings from the research can offer practical implications for businesses, particularly in terms of adjusting strategies and behaviors to avoid financial distress and bankruptcy. Moreover, the study can shed light on the potential moderating effects of firm characteristics, auditor characteristics, and external factors such as the legal environment and the impact of events like the COVID-19 pandemic on financial distress risk (Tong & Serrasqueiro, 2021; Benlemlih & Girerd-Potin, 2017; Almenberg et al., 2021; Grelle et al., 2023; Mukhlis & Damayanti, 2021). Overall, the paper has the potential to enrich the understanding of the interplay between individual environment, social responsibility, and responsible score in influencing financial distress risk, thereby offering valuable implications for businesses, policymakers, and researchers.

THEORETICAL REVIEW

Stakeholder Theory

Stakeholder theory, as described by Freeman (1984), elucidates the relationships between individuals or groups affected by a company's activities or those who possess the capacity to influence said activities. Within stakeholder theory, Freeman (1984) identifies two models: the policy model and business planning efforts, and the CSR model of stakeholder management. Moreover, Freeman (1984) defines stakeholder theory as a framework that establishes the parties for which a company holds responsibility. Duran and Davor (2004) further characterize company stakeholders as shareholders, employees, suppliers, banks, customers, as well as government and community entities, all of whom play a vital role within an organization or company. To differentiate stakeholders, Clarkson (1995) distinguishes them into two categories based on their types and characteristics: primary stakeholders and secondary stakeholders. Primary stakeholders encompass individuals or groups whose continuous involvement is indispensable for the company's survival, such as shareholders, workers, investors, suppliers, and consumers. Donaldson and Preston (1995) state that stakeholder theory is a theory that explains corporate governance and managerial relationships as well as recommendations for attitudes, structures and practices which, when implemented together, can form a stakeholder management philosophy.

As the stakeholder theory plays a crucial role in understanding the

relationships between organizations and their stakeholders, including the environment, society, and responsible practices. Some scholars have highlighted the distinctions between descriptive and instrumental stakeholder theory, emphasizing the implications of these differences for empirical research into stakeholder theory. It is show the relationship between the ESG score and financial distress risk aligns with the fundamental principles of Stakeholder Theory, as it seeks to understand how organizations' responsible practices and engagement with their stakeholders, including the environment and society, can influence financial outcomes.

Risk Management Theory

The research conduct is aligns with the broader context of risk management theory, which aims to provide protection against costly lower-tail outcomes that could lead to financial distress or hinder a company's investment strategy (Stulz, 1996). Risk management theory emphasizes the importance of mitigating the risk of financial distress to ensure the continuity of a company's operations and investment activities (Bodnar et al., 2019). Additionally, it is suggested that risk management practices vary across firms and industries, highlighting the social and organizational nature of risk management as a practice (Mikes & Kaplan, 2015).

Risk management theory is a critical aspect of corporate decision-making and has been the subject of extensive research in various fields (Froot et al., 1993). developed a general framework for analyzing corporate risk management policies, providing a foundation for understanding risk management in the corporate context (Froot et al., 1993). Additionally, Manuj & Mentzer (2008) addressed the gap in the literature for selecting risk management strategies in global supply chains, emphasizing the importance of tailored risk management approaches in different business contexts (Manuj & Mentzer, 2008). Furthermore, Mikes & Kaplan (2015) highlighted the variability of risk management practices across firms, indicating the need for a nuanced understanding of risk management as an organizational and social practice (Mikes & Kaplan, 2015).

In the context of supply chain management, Khan & Burnes (2007) identified shortcomings in the literature related to supply chain risk management, emphasizing the need to integrate wider risk management theory into the research on purchasing and supply chain management (Khan & Burnes, 2007; Ma & Nie, 2009). proposed an optimization of the risk management process for knowledge management in supply chain planning and logistics control systems, highlighting the importance of integrating risk management theory into specific operational contexts (Ma & Nie, 2009).

The empirical studies by Bodnar et al. (2019) and Mikes (2011) shed light on the challenges of aligning risk management practices with theoretical predictions, emphasizing the need for a comprehensive empirical assessment of risk management theory in practice (Bodnar et al., 2019; Mikes, 2011). Furthermore, proposed a theory of enterprise risk management that complements traditional corporate risk management theory, emphasizing the

need to consider internal frictions within firms when developing risk management frameworks (Jankensgård, 2019).

The study's focus on the ESG individual score as a potential mitigator of financial distress risk aligns with the broader understanding of risk management as a multifaceted process involving the identification, assessment, prioritization, and development of response strategies to treat risks (Ram & Zhang, 2020). Furthermore, the paper's exploration of the relationship between risk management practices and organizational performance contributes to the theoretical understanding of risk management within the context of agency theory (Girangwa et al., 2020). This perspective emphasizes the role of risk management practices in enhancing organizational performance and aligns with the overarching goal of risk management to safeguard against adverse outcomes that could lead to financial distress (Bodnar et al., 2019).

Financial Distress

Financial distress is a critical issue that has garnered significant attention in the literature. It is a condition in which a company experiences decline and difficulty in fulfilling its financial obligations (Amelia, 2022). The determinants of financial distress among small and medium-sized enterprises (SMEs) have been empirically investigated, with results suggesting that financial distress is influenced by macroeconomic conditions (Yazdanfar, 2020). Additionally, the study by Andrade & Kaplan (1998) provides evidence on the costliness of financial distress, particularly from highly leveraged transactions that became distressed (Andrade & Kaplan, 1998). Additionally, the influence of corporate governance and intellectual capital on financial distress has been examined, aiming to provide empirical evidence on their effects (Fashhan & Fitriana, 2019). Corporate governance has been a significant topic in the study of financial distress, with research indicating that firm-specific characteristics could be useful in determining firm performance and the likelihood of financial distress (Shahwan, 2015).

Financial distress prediction has also been a focal point, with studies exploring the role of various financial and non-financial variables in modeling corporate financial distress (Balasubramanian et al., 2019). Additionally, the study by Apergis et al. (2019) documented large reductions in capital expenditures of financially distressed firms, highlighting the potential impact of financial distress on capital expenditures (Apergis et al., 2019). Furthermore, the study by Kane et al. (2005) emphasized the importance of employee relations in the likelihood of corporate financial distress, shedding light on the multifaceted nature of factors contributing to financial distress (Kane et al., 2005).

ESG and Financial Distress

To investigate the relationship between individual scores of Environmental, Social, Governance (ESG) and financial distress risk, several studies provide valuable insights (Jia & Li, 2022) focus on the relationship between firms' environmental performance and financial distress, shedding light on how environmental disclosure affects financial distress (Jia & Li, 2022). Additionally, Alshahrani et al. (2022) explore the impact of climate change

disclosure performance on financial distress, highlighting the moderating effects of litigation, risk committees, audit firms, and audit fees (Alshahrani et al., 2022). These studies emphasize the significance of environmental factors in influencing financial distress risk.

Corporate governance is a crucial factor in understanding financial distress risk (Udin et al., 2017). and Shahwan (2015) examine the effects of ownership structure and corporate governance practices on the likelihood of financial distress, indicating a significant negative impact of state ownership on financial distress risk and an insignificant negative relationship between corporate governance practices and the likelihood of financial distress (Udin et al., 2017; Shahwan, 2015). Prameswari et al. (2022) suggest that good corporate governance has a negative effect on the relationship between financial distress and earnings management, emphasizing the moderating role of corporate governance in mitigating financial distress.

In addition to environmental and governance factors, firm-specific and macroeconomic factors also play a role in financial distress risk (Ceylan, 2021). highlights a negative association between the percentage change in the consumer price index and financial distress risk, indicating the influence of macroeconomic factors on financial distress (Ceylan, 2021). Simlai (2014) provides new findings on how stock return anomalies are related to the interactions between firm characteristics and financial distress risk, emphasizing the importance of firm-specific factors in understanding financial distress risk (Simlai, 2014).

The relationship between Environmental, Social, and Governance (ESG) factors and financial distress risk has been a subject of extensive research in recent years. Several studies have investigated the impact of ESG performance on financial distress risk in various contexts. For instance, Harymawan et al. (2021) examined the relationship between financial distress and ESG disclosure in Indonesia, shedding light on the potential influence of ESG reporting on financial distress. Similarly, Broadstock et al. (2021) found evidence supporting the relative resilience to financial risk during times of crisis by high ESG performing stocks, although not total immunity. This suggests a potential mitigating effect of ESG performance on financial distress risk during challenging economic periods.

Furthermore, Buallay (2019) that investigated the association between sustainability reporting (ESG) and performance in the European banking sector, highlighting the potential impact of ESG factors on operational, financial, and market performance. As an addition for the research we input andella et al. (2023) research result that discussed the inconclusive nature of the relationship between ESG and financial results, indicating the complexity of this association. This aligns with the findings of (Capelli et al., 2021), who suggested that the inclusion of ESG risk measures could enhance the understanding of the relationship between financial risk and the volatility of financial assets.

The study by Tashtamirov (2023) also complementing the existing literature on the relationship between ESG and bank risk, emphasizing the relevance of ESG factors in shaping risk profiles (Bax et al., 2022). highlighted

the importance of understanding the relationship between ESG merit and systemic risk for the stability of the economic and financial system, underscoring the significance of ESG factors in systemic risk management.

Kim & Li (2021) constructed a hypothesis to examine the correlation between ESG factors and corporate credit risks, indicating the potential influence of ESG on credit risk (Tian & Tian, 2022). documented the positive signal provided by companies with better ESG performance, leading to a decline in capital costs and a reduction in future financial distress risk. These findings are consistent with the study by (Zhao et al., 2018), which analyzed the relationship between ESG and financial performance in China's listed power generation companies, suggesting a potential link between ESG and financial performance.

Overall, the literature provides mixed evidence regarding the relationship between ESG and financial distress risk. While some studies suggest a potential mitigating effect of ESG performance on financial distress risk, others highlight the complexity and inconclusiveness of this relationship. Therefore, further research is needed to gain a comprehensive understanding of the impact of ESG factors on financial distress risk.

H1: Environmental score of ESG positively affect the financial distress risk
H2: Social score of ESG positively affect the financial distress risk
H3: Government score of ESG positively affect the financial distress risk

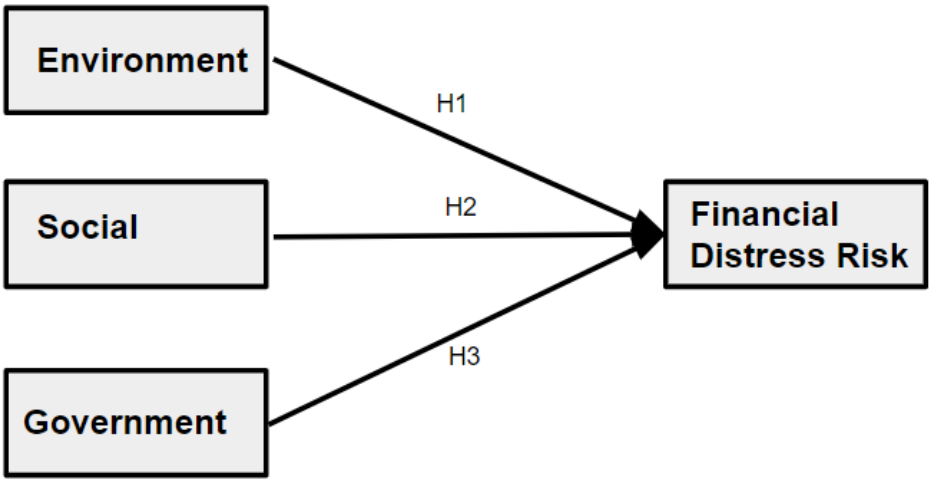

Figure 1. Conceptual Framework

METHODOLOGY

This research is classified as empirical research which uses a quantitative approach to collect empirical data that confirms the correlation between variables. This research focuses on two types of variables: independent variable (Financial Distress Risk), dependent variable (Environment, Social, Government Score). Data collection was carried out using the panel data method, which refers to a series of data that combines time series and cross section data. This data is collected periodically every year, starting from 2014 to 2021. The

population in research refers to all entities or subjects that have special characteristics which are the main focus of the research and become the basis for concluding the results of the research. In the context of this research, the population consists of state-owned companies listed on the Indonesia Stock Exchange (BEI). In this research, the sample refers to a portion of the population selected for use (Sujarweni, 2015). For the sampling technique, the Purposive Sampling method was used which is included in the non-probability sampling category. This method is based on certain considerations or criteria in determining the sample (Sujarweni, 2015). Researchers used several considerations in determining the sample, focusing on several criteria that is:

1. Non Financial state-owned company listed on the Indonesian Stock Exchange
2. Companies that publish financial reports and sustainability reports
3. State-owned companies that is experiencing poor financial health

Based on these considerations, the sample of companies that have met the requirements to be used in this research is 12 companies. After excluding all of the missing data from the period of 2014-2021, the total observations data of this research is 81 data. The selected proxies of ESG in this study were measured by calculating items disclosed in the sustainability report and total items based on GRI 4. Regarding the control variables, we include the Leverage and Sales Growth as the control variable as the various studies has showed that these variable is could also affecting the result of Financial Distress Risk. Lastly, the reason for a data loss is that the financial distress variables were measured depending on several variables, which may have had missing values among them.

Variables

The selected individual proxies of ESG in this study were measured by calculating items disclosed in the sustainability report and total items based on GRI 4. For the proxy for distress, we employed the Z-score originally by Altman (1968). As the Z-score is one of the earliest models used to predict bankruptcy, it is among the most popular and frequently used measures. The score is based on the equation below:

$$Z\text{-}score = 1.2\ X1 + 1.4\ X2 + 3.3\ X3 + 0.6\ X4 + 1.0\ X5$$

Each of X1 to X5 represents working capital, retained earnings, earnings before interest rates, market capitalization, and sales, all deflated by total assets. In this model, the higher the number, the more financially healthy companies are.

Method Analysis

The data analysis method applied is Descriptive Statistics and classical assumption testing techniques. This aims to check whether the estimation model used meets econometric requirements, namely ensuring that there are no significant deviations from the assumptions required in the OLS method

(Anata, 1987). The classical assumption tests carried out include the Normality Test, Multicollinearity Test, Autocorrelation Test, and Heteroscedasticity Test. Regression analysis is carried out to evaluate the extent of the relationship between the independent variable and the dependent variable. This research uses a multiple linear regression approach using SPSS (Statistical Package for Social Science) version 26 software. Descriptive Statistics Descriptive statistics are used to describe data with average (mean), standard deviation, maximum, minimum values (Ghozali, 2018).

Tabel 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ENV	81	0.00	1.00	0.4075	0.29482
SOC	81	0.04	1.00	0.4692	0.25126
GOV	81	0.09	1.00	0.6897	0.32648
ZSCORE	81	0.01	1.71	0.5512	0.38672
LEVERAGE	81	0.00	1.85	0.6880	0.23642
SALESGROWTH	81	-2.02	32.00	0.3578	3.58276
Valid N (listwise)	81				

Source: Processed Data 2023

RESULTS

Linier Regression Result

All hypotheses on this research were tested using linear regression analysis after testing the classical assumptions. The test results showed that heteroscedasticity occurred in the regression model, which was then overcome by transformation using natural logarithms. This transformation is not only used to handle classical assumptions, but is also applied in testing classical assumptions due to the use of regression models involving variables that have undergone transformation. Since this study investigated the effect of individual Environment, Social, Government score with the Financial Distress Risk, we constructed the test model as follows:

$$FDR = \beta1\ Environment + \beta2\ Social + \beta3\ Governance + \beta4\ Lev + \beta5\ Growth \quad \ldots\ldots(1)$$

Note:

FDR = Financial Distress Risk
β1 Environment = Coefficient of Environment Score
β2 Social = Coefficient of Social Score
β3 Government = Coefficient of Government Score
β4 Lev = Coefficient of Leverage (Debt to Asset Ratio)

β5 Growth = Coefficient of Growth

Table 2. T Test Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.654	0.056		4.055	0.000
ENV	-0.410	0.055	-0.596	-7.456	0.000
SOC	-0.129	0.067	-0.159	-1.913	0.060
GOV	0.361	0.046	0.581	7.820	0.000
LEVERAGE	-0.185	0.060	-0.113	-1.071	Controlled
SALESGROWTH	0.007	0.004	0.065	0.596	Controlled
. Dependent Variable: ZSCORE					

Based on the T test results above it could be concluded that :

1. The test results demonstrate a calculated value of -7.456 for the Environment variable, accompanied by a significance level of 0.000. Notably, a significance value below 0.05 is indicative of a substantial influence of the Environment variable on Financial Distress Risk. As such, the findings provide empirical support for Hypothesis 1, affirming that the environmental score of ESG positively affects financial distress risk.
2. The regression analysis yields a coefficient of -1.913 for the Social variable, with a significance level of 0.060. This indicates that the Social variable of ESG does not exert a statistically significant influence on Financial Distress Risk. Consequently, Hypothesis 2, which posits a positive relationship between the Social score of ESG and financial distress risk, is not supported by the empirical evidence.
3. The results of the linear regression analysis revealed a calculated value of 7820 for the Government variable with a significance of 0.000. This indicates that the Government variable has a significant influence on Financial Distress Risk, as the significance value is less than 0.05. Therefore, the hypothesis that the Government score of ESG positively affects the financial distress risk cannot be accepted.

Table 3. F Test Result

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.092	5	0.418	25.947	0.000[b]
Residual	1209	75	0.016		
Total	3301	80			
a. Dependent Variable: ZSCORE					
b. Predictors: (Constant), SALESGROWTH, LEVERAGE, GOV, ENV, SOC					

source: Processed Data 2023

From the information listed in the F Test Table above, the accuracy of the regression model in estimating actual values can be measured through Goodness of Fit. The results of the F statistical test show a calculated F value of 3.179, which is significant at the significance level α = 0.012. This shows that the regression model has very good performance in making predictions for the companies sampled in this research.

Tabel 4. Coefficient of Determination Test Results (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0796[a]	0.634	0.609	0.12698
a. Predictors: (Constant), SALESGROWTH, LEVERAGE, GOV, ENV, SOC				
b. Dependent Variable: ZSCORE				

source: Processed Data 2023

The analysis reveals that approximately 60.9% of the variation in financial distress can be attributed to variations in the independent variables, namely Environment, Social, and Government score. This suggests a strong influence of these factors on financial distress. The remaining 39.1% of the variation is explained by other factors not included in the model, indicating the presence of additional determinants of financial distress.

DISCUSSION

The analysis reveals that the environmental and governance scores of companies' ESG (Environmental, Social, and Governance) have a significant effect on financial distress. However, the social score does not demonstrate a

significant impact on financial distress. The significant effect of environmental scores on financial distress suggests that companies with higher environmental scores are associated with a lower probability of experiencing financial distress. This result aligns with the notion that environmentally responsible practices can reduce environmental liabilities and associated costs, thereby enhancing financial stability and mitigating the risk of financial distress.

Similarly, the significant effect of governance scores on financial distress implies that companies with stronger governance practices tend to have better risk management and transparency, leading to improved financial performance and a reduced likelihood of financial distress. It is also aligned with studies conducted by Udin et al. (2017) found an insignificant association between government shareholdings and the probability of financial distress. Conversely, Lee & Yeh (2004) reported empirical evidence supporting a connection between corporate governance structure and the probability of financial distress. Furthermore, Shahwan (2015) and Younas et al. (2021) also reported significant associations between corporate governance and financial distress. These findings suggest that corporate governance plays a crucial role in influencing financial distress.

However, the lack of a significant effect of the social score on financial distress indicates that social factors may not directly influence the likelihood of financial distress for companies. This result suggests that while social responsibility is an important aspect of ESG, it may not be directly linked to financial distress outcomes. Additionally, the influence of environmental and social factors on financial distress appears to be less clear, with some studies indicating no significant effect of social score on financial distress (Harymawan et al., 2021; , Jia & Li, 2022; , Prameswari et al., 2022; , Jaafar et al., 2018; , Candradewi & Rahyuda, 2021; , Gunawan & Putra, 2021; , Nugroho et al., 2020; , "The Influence of Corporate Governance on Financial Derivatives Decisions", 2022; , Fitriza et al., 2021; , Shiddiqy et al., 2022; , Trussel & Patrick, 2018; , Ningrum & Sholihah, 2023; , Galindo & Tovar, 2022; , Ardhiansyah et al., 2019; , Pan et al., 2010; , Maria et al., 2021). In other way, it is important to note that the impact of environmental and social factors on financial distress may vary across different industries and regions.

CONCLUSIONS AND RECOMMENDATIONS

The analysis of the impact of Environmental, Social, and Governance (ESG) scores on financial distress reveals several significant findings. Firstly, the study demonstrates that environmental scores have a significant effect on financial distress, indicating that companies with higher environmental scores are associated with a lower probability of experiencing financial distress. This aligns with the concept that environmentally responsible practices can reduce environmental liabilities and associated costs, thereby enhancing financial stability and mitigating the risk of financial distress.

The analysis also reveals that governance scores have a significant effect on financial distress, suggesting that companies with stronger governance practices tend to have better risk management and transparency, leading to

improved financial performance and a reduced likelihood of financial distress. This finding is consistent with previous research conducted by Udin et al. (2017), Lee & Yeh (2004), Shahwan (2015), and Younas et al. (2021), which have reported significant associations between corporate governance and financial distress. These findings collectively emphasize the crucial role of corporate governance in influencing financial distress. It is also indicates that the social score does not demonstrate a significant impact on financial distress. This suggests that social factors may not directly influence the likelihood of financial distress for companies. While social responsibility is an important aspect of ESG, the lack of a significant effect on financial distress outcomes implies that there may not be a direct link between social factors and financial distress. However, this finding also highlights the need for further research to explore the relationship between social responsibility and financial distress in more depth.

In conclusion, the analysis provides compelling evidence that environmental and governance scores significantly impact financial distress, while the social score does not demonstrate a significant effect. These findings have important implications for companies and investors, highlighting the importance of environmental responsibility and strong governance practices in mitigating the risk of financial distress. Furthermore, the lack of a significant effect of the social score on financial distress suggests the need for additional research to better understand the relationship between social responsibility and financial outcomes.

FURTHER STUDY

Variable Identification: Determine factors related to the individual's environment (such as income, education level, and employment), social environment (social support, access to social networks), and government score (economic policies, consumer protection, economic stability).

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