



Szent István University
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Ph.D. Dissertation

**CORRELATIONS BETWEEN THE STATE DEBT AND ECONOMIC
STABILITY IN ASIAN AND AFRICAN DEVELOPING COUNTRIES**

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Abbreviations

AGE = UN High-Level Advisory Group on Climate Change Financing

APEC = Asia-Pacific Economic Cooperation

ASEAN = Association of Southeast Asian Nations, member states: Indonesia, Malaysia,

Philippines, Singapore, Thailand, Vietnam Laos, Cambodia, Myanmar, Brunei

ASEAN +3, China, Japan, South-Korea

CDM = Clean Development Mechanism

CFT = Climate Friendly Technology

CIF = Climate Investment Funds

CTF = Clean Technology Fund

EMU = European Monetary Union

ECB = European Central Bank

EU = European Union

FDI = Foreign Direct Investment

FIP = Forest Investment Program

GCC = Gulf Cooperation Council

GHG = greenhouse gas

ILO = UN International Labour Organization

JI = Joint Implementation

LDC = least developed countries

M&As = mergers and acquisitions

MDB =

MENA = Middle East and North Africa

OECD =

PPCR = Pilot Program for Climate Resilience

PPP = purchase power parity

SCF = Strategic Climate Fund

SME = small and medium-sized enterprise

SOE = State-owned enterprise

SPE = special purpose entity

SREP = Scaling Up Renewable Energy Program in Low Income Countries

UNCTAD = UN Conference on Trade and Development

UNFCCC = UN Framework Convention on Climate Change

VAT = value added taxes

WB = World Bank

WDI = World Development Indicators

WEF = World Economic Forum

WIPS = World Investment Prospects Survey

WTO = World Trade Organization

SPSS = Special Program for Social Sciences

The ten variances and four components

FIRST Component

LabProductiv 1 Average Labour Productivity in 2006-2016 in Dollar (2011)

GovDebtinGDP 2 Average Central government debt, total in % of GDP 2006-2015

BalaPayInGDP 3 Average of Balance of Payment in GDP, 2005-2015

SECOND Component

GDPperEmploy 4 GDP per Employed from 2006, 2015/2006, 2006= 100

GDPgrowth015 5 Average GDP growth rate between 2006.-2015. in %

FDIinflow15 6 FDI Inward flow 2005-2015, and 2005= 100

FDIoutflow15 7 FDI Outward flow 2005-2015 and 2005= 100

THIRD Component

ConsumPr0611 8 Average of consumer price in 2006-2011 in %

TaxRevenue 9 Average Tax revenue in % of GDP 2006-2016

FOURTH Component

BalanPayment 10 Balance of Payment 2006-2015, and 2006= 100

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1. INTRODUCTION

The main Objective of my research work is the trend on analysis of the *central government debt in selected Asian and African developing countries*. I analyse the ***central government debt*** growing rate in these countries comparing with debt trend of the other developing economies. Also my study clears highlights of the *main economic, political and world economic reasons for fostering the intensively increasing rate for the government debt*. The management process and political *financial strategies are to avoid of more increasing debt* in this country-group. I work out the *model of the government debt conditions* in selected developing countries and their national financial and economic reasons and *world economic background for creating the increasing or decreasing government debt situation* of these countries. I collect statistical analyses including SPSS (*Special Program for Social Sciences*) are to describe the whole model for the *structure of the central government (state) debts and negative balance of payment* in these selected developing countries.

The objective of my study is important because it focuses on the main important correlations and significance among different variances, as economic activities and performance of selected countries, namely labour productivity, consumer price, government debt in GDP, tax revenues of the governmental budget, GDP per employed people, GDP growth rate, Balance of Payment, Balance of Payment in % of GDP, FDI Inward flow and FDI Outward flow (10 variances).

I focus in my study on the comparing different economic conditions of different selected developing economies in Asia and Africa, which are as follows: Algeria, Bahrain, Bangladesh, China, Egypt, India, Indonesia, Iran, Iraq, Jordan, Korea, Republic of (South Korea), Kuwait, Lao People's Democratic Republic, Lebanon, Malaysia, Morocco, Myanmar, Nigeria, Oman, Pakistan, Philippines, Qatar, Saudi Arabia, Sudan, Thailand, Tunisia, Turkey, United Arab Emirates, Vietnam and Yemen. This list of selected countries includes some main important countries of Africa, Asia and Middle East and North- Africa. Some of them are newly industrialised countries as more ambitious economies of the developing world, as Korea, Republic of (South Korea). Also this large country group includes such economies, which have considerable crude oil stock, by which they can influence world market conditions and distribution of incomes coming from the mining sector and specially crude oil

production and manufacturing process, like Saudi-Arabia, Nigeria, Indonesia, United Arab Emirates, Bahrain, Iraq, Iran, Qatar, Kuwait and Algeria. The other large economies with considerable internal domestic market are for example China, India and Pakistan. The smaller countries also contribute the other all economic conditions of those regions, where they are existing.

Actual economic situation may be characterised as decreasing the domestic consumption, which lead to decreasing the import of countries, therefore restructuring economic sectors should increase the export with those products having competitiveness possibilities in selected Asian and African developing countries in the world market. The selected developing economies made considerable efforts to manage the *element of state debts and financial arrangement to decrease debt* by changing the *rates of national currencies and decreasing the share of the governmental debt in percent of GDP*. Data base is based on *financial reports* of national financial institutions in in selected Asian and African developing countries.

During the study work visits are needed to some statistical offices to collect more data – as Libraries, Statistical Offices, Universities, Several companies issuing data base for international financial issues related to *governmental debts, balance of payment* of different countries, from which the in selected Asian and African developing countries. The international data bases are used in different official institutions for setting up the model of the state debt and negative balance of payment. How the payment is realised from side of the debate countries for financial resources given by international bank and financial institutions. In this study different tables and figures are used for the financial movements in selected Asian and African developing countries and in the world economy for decreasing the state debt and negative balance of payment. Also these different scientific sources are collected in the list of references relevant to scientific research given in the study. The data base are from different statistical year books, mainly from World Bank and International Monetary Fund.

The study comparative analysis among selected Asian and African developing countries and other developing countries. Naturally the comparison is necessary for analysing some differences among developing and developed economies in fields of the economic growth in the light of employment conditions and financial situation.

The study analyses the possibilities for using experiences in selected Asian and African developing countries to *manage the balance of the governmental debt and decreasing negative balance of payment*:

- Describe these *financial situations, the solutions, and the avoiding of the increasing the governmental debt and negative balance of payment* in selected Asian and African developing countries and their possibility in other developing countries.

- The *FDI (Foreign Direct Investment) inflow and outflow concerning the changing investment activities* can provide possibilities for consolidation for the governmental debt and negative balance of payment by *increasing the employment ratio and personal income taxes*.

- Role of the central banks and national banks for decreasing the governmental debt and negative balance of payment by different means for example through *credit for the population or changing the national currency rates* in national economies.

- Describe any *international activities* or co-operations for moderating the governmental debt and negative balance of payment.

- The question is that the price system and the population domestic consumption, the inflation and GDP growing rate have correlations among themselves to decrease the level of the governmental debt and negative balance of payment.

- The economic growth should be based on the *environment-friendly innovative development of the advanced technology*. Actually the global warming is depending on the increasing production and consumption, which lead to increasing rate of gas emission and the GHG (greenhouse gas) emission. All of the negative influences coming from the GHG emission lead to global warming and the increasing level of the sea, which can cover more areas of the continents to decrease the cultivable areas for food and agricultural production. Finally the space and areas decrease for the possible life conditions of the mankind. Therefore the study focuses on the importance of the environmental conservation strategy of developing economies.

Some questions can emerge in this study concerning the financial and economic conditions of the selected developing economies. The analysis has been for period of 2006-2016, which overviews the different economic development processes, which emphasize the labour productivity, by its changes and the trend of the consumption, which also can stimulate the economic growth in these selected economies.

The question can emerge that how the *labour productivity* and FDI inflow and outflow can effect influence the successful economic growth and favourable tax-revenues of the national governments in the selected countries?

The *other question* can be *what reasons were* used for the good prosperity of selected countries after the economic crisis in 2009? Also the other question can is how the tax revenues correlate with increasing the negative balance of the governmental debt in percent of the GDP? Also how the decreasing FDI inflow into countries can stimulate the decreasing GDP per employed people?

There are *some hypotheses* concerning the possible analysing issues with several economic variances in cases of the selected developing economies, which are as follows:

.- It would be demonstrated that *labour productivity* by ensuring satisfactory *competitiveness* of the domestic products produced of these selected countries on the world market, cannot always ensure sufficient *tax revenues* to decrease the negative *balance of the payment*. The *labour productivity* does not necessarily increase the level of the domestic *consumption and the employment*. Sometimes it may happened, that the domestic consumption and the employment can decrease labour productivity considerably increases.

It is demonstrated that when the *employment* rate decreased, this can contribute to the changing the *consumption* level in cases of the selected developing economies.

.- The increasing *FDI inflow* did not affect influence to increase the *employment* rate in the developing economies in sometimes. The correlation between increasing *governmental debt* and higher deficit of the *balance of payment* may depend on the actual *tax revenues*.

By the end of the study it is to write answer for hypothesis, as thesis and new results, and write conclusions for the main meanings of the Dissertation. The possible future prosperity can be summarised for decreasing the state debts and balance of payment.

2. LITERATURE REVIEW

The analysis focuses on the international conditions of developing economies and the highly developed economies. Also two country-groups need for creating financial bases for their cooperation in direction to develop the environment friendly technology mostly from side of developed economies and international financial institutions, for example World Bank additionally to international agreements and their aims. This cooperation should be based on two main economic aims, namely

- 1/ to strengthen the sustainable economic development based on the extending environment friendly technology and
- 2/ to decrease the gap between two country-groups, High income and Low income one.

The data of the Table-2-1 shows how the energy related methane emission in percent of the total emission realised. The highest share of the methane emission was in MENA (Middle East and North Africa) by 71,53% between 2005-2008, which shows the share of the animal husbandry in this region. The second one is Europe and Central Asia by 52,9%, which shows slight backwardness of this region comparably with High Income Economies. The energy use per capita is at highly level in highly developed economies. In developing countries the low level of energy use may decrease in cases of less developed households, with less electric equipment for family consumption and low level of consumption for industrial input and factories.

Table-2-1: World Development Indicators in 2010-2013

	Urban population	Energy related	Energy use	Electricity production from renewable resource in % of total excluding hydro-electric	Electricity production
	% growth	methane emission % of total emission	Per capita kilograms of oil equivalent	in % of total excluding hydro-electric	billion kilowatt hours
	2012-2013	2005-2008	2010-2016	2010-2016	2011
World	2,1	35,4	1967,88	6,4	22158,5
<i>Low income</i>	3,9	34,48	1261,81	2,48	190,6
<i>Middle income</i>	2,4	36,5	1321,17	2,82	9794,1
East Asia and Pacific	2,8	36,62	1958,0	2,88	5410,8
Europe and Central Asia	1,1	52,9	3262,9	4,13	908,6
Latin America and Caribbean	1,5	18,01	1346,29	4,76	1348,0
Middle East and North Africa	2,3	71,53	2158,586	0,266	654,4
South Asia	2,6	16,84	533,9	3,71	1215,8
Sub-Saharan Africa	4,1	20,7	676,9	0,72	445,2
<i>High income</i>	0,8	38,85	4776,73	6,4	12198,4
<i>EU</i>	0,6	31,04	3262,316	3,96	2298,3

Source: World Development Indicators/Data. 2014 <http://data.worldbank.org/products/wdi>

There were some international financing actions of the World Bank for creating economic growth in direction to less gas emission. There are some examples, which are follows:

The World Bank issued a report in 2009, titled State and Trends of the Carbon Market, the CDM (Clean Development Mechanism) demonstrated the significance of carbon markets (Capoor-Ambrosi, 2009). At the international level the carbon markets in particular the JI (Joint Implementation) and CDM became considerable new sources to finance mitigation

projects and investments. The financial resources given by the CDM between 2001, titled as first year of CDM projects, and 2012 were calculated US\$18 billion to decrease the gas emission by about 1,5 billion tonnes of carbon dioxide equivalent (CO₂e). Each dollar of carbon revenue leverages on average US\$4,6 in investment, bringing the total CFT (Climate Friendly Technology) investments facilitated by the CDM activities to over US\$ 80 billion (World Bank, World Development Report, 2010; World Economic Forum, 2009).

The AGE aimed at using US\$100 billion to be mobilized yearly for climate actions in Low income country-group, namely in developing economies by 2020, which funds can come from High income country-group. This financing system could be allocated to developing countries. Also concerning the AGE (UN High-Level Advisory Group on Climate Change Financing) Report that “a *carbon price* of US\$20- US\$25 could generate about US\$100 billion - US\$200 billion of gross private capital flows”. This means “such gross flows could lead to private net flows in the range of US\$10 billion - US\$20 billion. Moreover, US\$30 billion-US\$50 billion could be generated annually in increased carbon market flows” and authors expected “to around US\$10 billion of net transfers.” (UNFCCC = UN Framework Convention on Climate Change, 2010). This action could be useful as incentive for carbon market action as carbon gas emission allocation among countries in order to keep low gas emission quota by selling quota to such countries, which have gas emission less than their quota.

By the end of October of 2010 *CIF (Climate Investment Funds) donors financed* about US\$6,3 billion in activities covering 13 countries with US\$4,4 billion funded through the CTF (Clean Technology Fund) and US\$1,9 billion through the SCF (Strategic Climate Fund). From SCF amount of financing US\$1 billion was allocated to PPCR (Pilot Program for Climate Resilience), US\$587 million to FIP (Forest Investment Program) and US\$318 million to SREP (Scaling Up Renewable Energy Program in Low Income Countries) program (Bretton Woods Project, 2011). To financing program given by CIF, the CIF funding has been able to leverage an average of other MDBs or private financing at a ratio of US\$1 to US\$8,4 (World Bank, Bretton Woods, 2010; Baietti et al, 2012, see more detailed in Bahaa et al, 2015, pp. 57-58).

The magnitude of climate change and the severity of its impacts will depend on the actions that human societies take to respond to these risks. (<http://dels.nas.edu/> Report in brief,

2015). All of these difficulties and issues connecting with global warming should lead to strengthen the human behaviours and institutions in order to avoid of extending the global warming processing to sustain natural environment and the human society.

The general difficulty that the electricity production from renewable resource in % of total excluding hydroelectric between 2010-2016 is at very low level, only some developed economies can reach maximum 6,4% from renewable energy resource averagely in this period (see Table-2-1).

In spite that these actions for mitigation were very important initiative steps, there were some weaknesses summarized by The Dag Hammarskjöld Foundation, as bellows (Gilbertson-Reyes, 2009):

- The project certification process is very bureaucratic;
- Monitoring and verification audits under the program was very expensive including travel cost of experts to places monitored;
- The CDM revenues are based on the outputs and generated at later stages, once the projects are operating. The problem is for the most green investment, however is obtaining upfront financing;
- Concerns about the Kyoto Protocol continuing after 2012 may cause projects that are delayed not to receive benefits.

The energy use per capita of the High level income country-group is four times more than the one of Middle income country group. Also this Middle income country group could reach any considerable result in energy production per capita and all electricity production because of contribution of China. 48,1%, about half of all electricity production was produced by China in 2011 from Middle income group. China has 4,1% of all carbon dioxide gas emission of the world total in 2011 (World Bank, World Development Indicators/Data, 2014), which shows difference from all gas emission of China, as near to 21% of the world total in data of 2007. The 24,65 % of Chine and 44,33% of High income countries including OECD and 7,37% of Euro Zone from all Carbon dioxide emissions of the world in 2010 (World Bank, World Development Indicators/Data, 2014).

Most experts believe that about 85% of the capital needed to reduce GHG emissions most come from the private sector (UNFCCC, 2007), which will require a shift in private sector

behaviour and in the way public finances need to be deployed. The investors and companies have willing (Global Climate Network, 2010; Helm, 2007), namely public funds should be spent when commercial entities don't want to invest.

The economic strategy can be implemented based on the environment friendly development and financial resources exist demanded for this developing process, therefore some financial issues can be emerging. According to the financial issues, there are many different concept describe the role of the state and governmental authorities. For example some experts talk about the role of state and also they provide their opinions about that how the money can be created with its financial structure and financial institutional background. Some experts stated about the role of the state to strengthen the "free economy". These experts, who provide their opinions about the strengthening the role for state, as liberal free market economies from the beginning of the 1930s, for example Walter Eucken, (1932) refers to Carl Schmitt's *The Guardian of the Constitution* (1931) as the authoritative source behind his thinking. Friedrich von Hayek, *The Constitution of Liberty*, (1960, p. 485), considers Schmitt's *Guardian of the Constitution* as the most learned and perspective account of the ills of Weimar democracy. Alexander Rüstow's notion of the liberal state as "market police" (Alexander Rüstow, Afterword, in: Wilhelm Röpke, (1998, pp. 267-283) bears the stamp of Schmitt's "strong state" as the concentrated force of "sound economy" (see in detailed in Schmitt, 1998; and Bhagwati, N., 2002).

Some other experts wrote that "In the context of the European Monetary Union (EMU), the ordo-liberal argument that economic freedom is a practice of government appears not to hold. Just as the Euro is a stateless currency, European law is stateless law. There is neither a European government nor a European state. The European Central Bank (ECB) is not a political institution. It is a technocratic institution that conducts policy according to set objectives and requirements, which are rule-based and law-governed. It does not recognise what Wilhelm Röpke (1998) called the "enemies". It makes monetary policy upon the basis of expert judgement and economic insight. The absence of central political power does not, however, entail that the Euro is non-political currency. On the contrary, its establishment amounted to a political decision and its maintenance. A functioning monetary order requires political authority to sustain it. Monetary union depends on the capacity of its Member States to implement the demands of supranational money internally, securing balanced budgets and achieving competitive levels of labour productivity. This effort at implementation is a matter

of continued and sustained solidarity between the Eurozone Member States. Monetary Union thus depends on their capacity to act in concert as a form of “market police” (Rüstow, 1942). The monetary union strengthens the liberal character of the democratically constituted Member States. It absorbs the traditional forms of mass democracy into a European “*Ordnungspolitik*”, emasculating them.” (Bonfeld–York, 2014a and 2014b).

Some countries or a country-group within an international regional economic integration can create a common currency in order to decrease or probably avoid of the exchange cost of national currencies. Therefore the unified currency unit, like Euro in the European Union can make easier to implement transfer of the money or financial resources among the member states without changing cost, therefore the cheaper transfer can make more and wider transfer, which can stimulate the investments from member state to other one. This also can increase the creating more jobs in the EU by decreasing the unemployment rate and increasing the purchase power parity of consumers and finally to increase the consumption based on the single market. Also the investments can be extending by increasing the FDI inflow into the national economies, as member states in the EU, which means that the foreign working capital out of the EU can be stimulated to come into the EU to create more jobs.

In the same time the domestic capital accompanied with foreign capital – altogether – commonly can contribute to economic development in the EU or in any economic integration or different country-groups, which agree on the economic growth based on the creating common currency or harmonization for currency rate among the different national currencies of given country-group in other region of the world economy.

My opinion is that the state should have considerable role to create owned currency for any national economy, which can be as a mean by its currency’s changes in order to defend the national economy against the different negative influences of the world economy and to implement better favourable foreign exchange even in case of declining trend of the economy and the increasing the negative balance of the payment. In case of the increasing negative balance of payment the national bank can decrease the national currency in direction to foreign currencies. The central national bank can declare the decreasing economic conditions of the country by this currency rate change, but this decision can stimulate the companies to

implement export by lower price level concerning the higher level of the world market. The cheaper export of the country can make its products be easily marketable, which can result into more export income, which can lead to the positive balance of foreign trade and positive balance of payment. The central bank can press the level of the domestic consumption by stimulating export volume in order to achieve positive balance of foreign trade and positive balance of the payment.

Labour productivity depends on the profitability of firms

From point of view of the firm performance, this can be successful by creating the strategic business decision, which should be based on the performance of the previous years. Some experts for example as Hall and Child emphasized these elements of strategic business decision (Hall - Hall, 2000; Holden, 2002; Child, 2005).

These experts analysed the Business Plan concerning the *business strategy in all of economic activities of corporations* (Child, 2005):

- .- Global market & capability
- .- Partnership & value chain
- .- Customers, supplier, competitor, macroeconomic options
- .- Managers from technology, product lines & several organizations
- .- Partnership between subsidiaries & headquarters & among subsidiaries
- .- Sharing products, development, services among subsidiaries; global service
- .- Leverage global markets, technology, suppliers, competitors; profit potential & options
- .- Professionals & managers in many subsidiaries & partners worldwide
- .- Adapt technology worldwide; learning worldwide; changing economics in value chain
- .- Transfer several directions; learning and helping
- .- Scanning for mutual learning; profit potential; options for future
- .- Technologists from many subsidiaries & headquarters
- .- Global performance of corporation
- .- Subsidizing investment across subsidiaries; countering rivals; learning; global projects
- .- Long-term, global impact
- .- Strategists, managers of several subsidiaries

The Business Plan and business strategy are in all of economic activities of corporations in international field (Child, J, 2005; Lawler, 1971):

National market size

Local mfg. & mktg.

Demand & costs

International division & senior managers for approval

Transfer headquarters products to subsidiaries

Transfer headquarters knowledge and decisions

Local needs for headquarters products; return on investment

Product development

Transfer technology efficiently; appropriate technology to transfer

Transfer one-way

Operational details; return on investment; cost of transfer

Headquarters & recipient technologists

Investment & influence of headquarters

Investment activities by Foreign Direct Investment either inflow or outflow

Local ROI

Capital budgeting & senior manager

Additionally to the above mentioned experts and their conceptions, Ryanair, (2009), Begg (2008), Maslow (1943), Murray (1955) and Brandt (2007) are most important experts declared main principles of subjects in the marketing researches, which are as based on their works concerning the performance of firms based on the market demands:

.- The role of products and services. In consumer behaviour the purchase and consumption of products and services are the major means of need satisfaction. Thus, a critical perspective of this book is that *products and services are means to an end, not the end itself*. This perspective is critical to marketing management (in detailed in Adler, 2002).

.- One of the worst things a firm can do is assume it seeks profits through the sale of products and has achieved its goal once the sale is concluded. The firm is in business to make profits

through the *consumption*. It offers, through its products, the means by which needs are satisfied. To obtain a sale is only partial marketing success. The true measure of success is whether the product, when consumed, satisfied the needs that motivated the purchase.

French, R. (2007), also suggest that Taylor was the leading promoter of the idea that managers should design and control the work process scientifically in order to guarantee maximum efficiency. He believed in multiple layers of management to supervise the work process and in rigid, detailed control of the workforce. Taylor's theories justified managerial control over the production process and decision. The increasing authoritative operational role of management diminished the direct involvement of owners in day-to-day decision making. Managers saw this as an opportunity to solidify their power and adopted Taylor's ideas wholesale. In the process, they affirmed efficiency over collaboration, quantity over quality, and cost controls over customer service (French, R., 2007; also see Rugman, 2001).

Also the organisational behaviour effects on the rentability of firms based on conceptions of some main experts, which elements of the organisational behaviour are follows (Adler, 2002; Alderfer, 1972; Francesco – Gold, 2005):

- .- identify major trends in the development of organisational behaviour and management thinking;
- .- contrast main features of different approaches to organisation and management;
- .- evaluate the relevance of these different approaches to the present-day management of organisations;
- .- explain the relationships between management theory and practice; assess the value of the study of different approaches to organisation and management;
- .- recognise the relationship between the development of theory, behaviour in organisations and management practice;
- .- establish a basis for consideration of aspects of organisational behaviour.

Concerning the rentability the principal benefit sought within perceived usage context. On the other hand some firms can be working in the industry for example therefore the industrial goods markets have also important characters, which are as follows (Barker, 2008) and the objective of marketing strategy towards these segments would be (Klein, 2008, O'Donnell, 2008; see more Trist – Bamforth, 1951):

.(i) to maintain and increase the probability of medium and heavy consumption of the company's products or brands; and

.(ii) to upgrade the other categories in the company's favour.

In the implementation of quality management initiatives, whether a quality programme, a Quality Management System or a Total Quality process, the financing department may be the most inhabited when it comes to accepting different, more comprehensive and unrestrictive, approaches to ensuring that customer requirements are met (Peppers - Rogers, 2005; Vorley, 1993). Also the technological development makes effect on the rentability and income capability. Like other technological marvels, Information Technology (IT) presents opportunities as well as threats to employees. Briefly the advantages and disadvantages of IT are as follows (Burns –Stalker, 1961; Davis - Canter, 1955; Taylor, 1911):

Advantages for firm strategy in technological development and human resource management

Learning new skills

Jobs can be delegated to machines

Possibility of upgrading

Easily and quicker access to information

Easily means of remedying typing amending text

More jobs for those who are skilled in maintenance of electronic equipment

More jobs for those engaged manufacturing office machines/equipment (see in detailed in Davis, 1957)

More jobs for programmers and software designers

Opportunities for shorter working day/week

Disadvantages for firm strategy in technological development and human resource management

Fewer jobs will be required (see in detailed in Davis -Taylor, 1979)

Office workers might become 'machine minders'

Individuals may become tied to their workstations

Health problems

Learning operate electronic machines

Strong competition between employees for available jobs

Loss of personal contact as information is passed by machine instead of by mouth

* VDU= Visual display units

Some exports emphasized some issues concerning the employee economic conditions, as controversy over protectionism, the alleged exclusive use of labour from other EU states, and demands for 'British jobs for British workers' add to a volatile work environment (see in more detailed in Bayton, 1958; Broeways - Price, 2008; Keefe, 2008). Schein (1970), in a leading text on the behaviour sciences, identifies a number of assumptions that have been made about motivation. These can be summarised in order of historical appearance as follows (Schein, 1970; Handbook, 2015):

Rational-economic Man. This view of individual behaviour has its roots in the economic theories of Adam Smith in the 1770's. It suggests that people are primarily motivated by self-interest and the maximisation of gain. It stresses Man's rational calculation of self-interest, especially in relation to economic needs. Also Schein declared that, all human beings can be placed into two categories, if this approach is adopted - (1) the untrustworthy, money-motivated, calculative masses, and (2) the trustworthy, more broadly-motivated, moral elite, whose task is to organise and manage the masses. This approach corresponds to McGregor's Theory X view of motivation (see in detailed in work of Locke, 1976). It is the approach which dominated the classical school of managers (Taylor, 1911; Guest, 1984; Lawler - Porter, 1967). There were some assumptions created in a lot of organisations at present.

Explaining the PPP and the Law of One Price in the international relation

In the international economic comparison the calculation with PPP (Power Purchase Parity) is emphasized at high level. Therefore this calculation became important based for the international trade, GDP calculation and also Power Purchase Standard (PPS). How well does the PPP theory explain actual data on exchange rates and national price levels? A brief answer is that all versions of the PPP theory do badly in explaining the facts. In particular, changes in national price levels tell us relatively little about exchange rate movements. Do not conclude from this evidence, however, that the effort you have put into learning about PPP has been wasted. The PPP is a key building block of exchange rate models that are more realistic than the monetary approach. Indeed, the empirical failures of PPP give us important clues about how more realistic models should be set up (Atkeson - Burstein, 2008).

To test absolute PPP, economic researchers compare the international prices of a broad reference basket of commodities, making careful adjustments for inter-country quality differences among supposedly identical goods. These comparisons typically conclude that absolute PPP is way off the mark: The prices of identical commodity baskets, when converted to a single currency, differ substantially across countries. Even the law of one price has not fared well in some recent studies of price data broken down by commodity type. Manufactured goods that seem to be very similar to each other have sold at widely different prices in various markets since the early 1970s. Because the argument leading to absolute PPP builds on the law of one price, it is not surprising that PPP does not stand up well to the data. Some of the negative evidence on absolute PPP is discussed in the Case Study to following references, as well. Regarding the law of one price, see, for example from Isard (1977), Kravis - Lipsey, (1978).

Relative PPP is sometimes a reasonable approximation to the data, but it, too, usually performs poorly. Data-base illustrates relative PPP's weakness by plotting both the yen/dollar exchange rate, $E_{Y/\$}$, and the ratio of the Japanese and U.S. price levels, P_j/P_{us} , through 2009. Price levels are measured by indexes reported by the Japanese and U.S. governments. The price level measures are index numbers, not dollar amounts. For example, the U.S. consumer price index (CPI) was 100 in the base year 2000 and only about 50 in 1980, so the dollar price of a reference commodity basket of typical U.S. consumption purchases doubled between

1980 and 2000. Base years for the U.S. and Japanese price indexes were chosen so that their 1980 ratio would equal the 1980 exchange rate, but this imposed equality does not mean that absolute PPP held in 1980. Although American statistical offices use CPIs, other price indexes lead to similar pictures. Relative PPP predicts that $E_{Y/\$}$ and P_J/P_{US} will move in proportion, but clearly they do not. In the early 1980s there was a steep appreciation of the dollar against the yen even though, with Japan's price level consistently falling relative to that in the United States, relative PPP suggests that the dollar should have depreciated instead. The same inflation trends continued after the mid-1980s, but the yen then appreciated by far more than the amount that PPP would have predicted. Only over fairly long periods is relative PPP approximately satisfied. In view of the lengthy departures from PPP in between, however, that theory appears to be of limited use even as a long-run explanation (Atkeson - Burstein, 2008; Krugman et al, 2012).

Studies of other currencies largely confirm the results. Relative PPP has not held up well. See, for example, the paper by Taylor. As we will learn later, between the end of World War II in 1945 and the early 1970s, exchange rates were fixed within narrow, internationally agreed-upon margins through the intervention of central banks in the foreign exchange market. During that period of fixed exchange rates, PPP did not do too badly. However, during the first half of the 1920s, when many exchange rates were market-determined as in the 1970s and after, important deviations from relative PPP occurred, just as in recent decades. (See Krugman, 1978; Grauwe, et al, 1985; Genberg, 1978).

Describing the Difficulties with PPP

What explains the negative empirical results described in the previous section? There are several immediate problems with our rationale for the PPP theory of exchange rates, which was based on the law of one price:

1. Contrary to the assumption of the law of one price, transport costs and restrictions on trade certainly do exist. These trade barriers may be high enough to prevent some goods and services from being traded between countries.
2. Monopolistic or oligopolistic practices in goods markets may interact with transport costs and other trade barriers to weaken further the link between the prices of similar goods sold in different countries.
3. Because the inflation data reported in different countries are based on different commodity baskets, there is no reason for exchange rate changes to offset official measures of inflation

differences, even when there are no barriers to trade and all products are tradable (Krugman et al, 2012; Atkeson - Burstein, 2008).

When trade barriers and imperfect competitive market structures occur together, linkages between national price levels are weakened further. When a firm sells the same product for different prices in different markets, we say that it is practicing pricing to market. Pricing to market may reflect different demand conditions in different countries. For example, countries where demand is more price-inelastic will tend to be charged higher mark up over a monopolistic seller's production cost. Empirical studies of firm-level export data have yielded strong evidence of pervasive pricing to market in manufacturing trade. (For a detailed review of the evidence, see the paper by Dornbusch, 1987; Krugman, 1987; Atkeson - Burstein, 2008).

In 2007, for example, a Ford Focus cost \$5,000 more in Germany than in Finland despite those countries' shared currency (the euro) and despite the European Union's efforts over many years to remove intra-European trade barriers. Such price differentials would be difficult to enforce if it were not costly for consumers to buy cars in Finland and drive or ship them to Germany, or if consumers viewed cheaper cars available in Germany as good substitutes for the Focus. The combination of product differentiation and segmented markets, however, leads to large violations of the law of one price and absolute PPP. Shifts in market structure and demand over time can invalidate relative PPP (Krugman et al, 2012).

PPP in the Short Run and in the Long Run

The factors we have examined so far in explaining the PPP theory's poor empirical performance can cause national price levels to diverge even in the long run, after all prices have had time to adjust to their market-clearing levels. As we discussed in study, however, many prices in the economy are sticky and take time to adjust fully. Departures from PPP may therefore be even greater in the short run than in the long run. An abrupt depreciation of the dollar against foreign currencies, for example, makes farm equipment in the United States cheaper relative to similar equipment produced abroad. As farmers throughout the world shift their demand for tractors and reapers to U.S. producers, the price of American farm equipment tends to rise to reduce the divergence from the law of one price caused by the dollar's depreciation. It takes time for this process of price increase to be complete, however,

and prices for U.S. and foreign farm equipment may differ considerably while markets adjust to the exchange rate change (Mussa, 1986; Engel, 1993).

You might suspect that short-run price stickiness and exchange rate volatility help explain a phenomenon we noted in discussing violations of relative PPP, which have been over periods when exchange rates. Empirical research supports this interpretation of the data. We used to illustrate the goods prices compared with exchange rates, is quite typical of floating rate. In a careful study covering many countries and historical episodes, economist Michael Mussa of the Peterson Institute for International Economics compared the extent of short-run deviations from PPP under fixed and floating exchange rates. He found that floating exchange rates systematically lead to much larger and more frequent short-run deviations from relative PPP. (See Mussa, 1986). Charles Engel of the University of Wisconsin has found that under a floating exchange rate, international price differences for the same good can be more variable than the relative price of different goods within a single country. (See Engel, 1993). Recent research suggests that short-run deviations from PPP such as those due to volatile exchange rates die away over time, with only half the effect of a temporary departure from PPP remaining after four years. (See, for example, Frankel - Rose, 1996). The statistical validity of these results is challenged by O'Connell (1998). Even when these temporary PPP deviations are removed from the data, however, it still appears that the cumulative effect of certain long-run trends causes predictable departures from PPP for many countries. The Case Study entitled "Why Price Levels Are Lower in Poorer Countries" discusses one of the major mechanisms behind such trends (O'Connell, 1998).

Research on international price level differences has uncovered a striking empirical regularity: When expressed in terms of a single currency, countries' price levels are positively related to the level of real income per capita. In other words, a dollar, when converted to local currency at the market exchange rate, generally goes much further in a poor country than in a rich one. Data demonstrate the relation between price levels and income, with each dot representing a different country.

The previous section's discussion of the role of non-traded goods in the determination of national price levels suggests that international variations in the prices of non-trade-able may contribute to price level discrepancies between rich and poor nations. The available data indeed show that non-trade-able tend to be more expensive (relative to trade-able) in richer

countries. One reason for the lower relative price of non-trade-able in poor countries was suggested by Bela Balassa and Paul Samuelson. (See Balassa, 1964; Samuelson, 1964). The Balassa-Samuelson theory was foreshadowed by some observations of Ricardo (See Viner, 1937).

The Balassa-Samuelson theory assumes that the labour forces of poor countries are less productive than those of rich countries in the trade sector but that international productivity differences in non-trade sectors are negligible. If the prices of traded goods are roughly equal in all countries, however, lower labour productivity in the trade-able industries of poor countries implies lower wages than abroad, lower production costs in non-trade-able, and therefore a lower price of non-trade-able. Rich countries with higher labour productivity in the trade-able sector will tend to have higher non-trade-able prices and higher price levels. Productivity statistics give some empirical support to the Balassa-Samuelson differential productivity postulate. And it is plausible that international productivity differences are sharper in traded than in non-traded goods. Whether a country is rich or poor, a barber can give only so many haircuts in a week, but there may be a significant scope for productivity differences across countries in the manufacture of traded goods like personal computers.

An alternative theory that attempts to explain the lower price levels of poor countries was put forth by Jagdish Bhagwati of Columbia University, and by Irving Kravis of the University of Pennsylvania and Robert Lipsey of the City University of New York. (See Kravis - Lipsey, 1983; Bhagwati, 1984). This argument assumes that factor endowment differences between rich and poor countries are sufficiently great that factor-price equalization cannot hold. The Bhagwati (1984) and Kravis-Lipsey (1983) view relies on differences in endowments of capital and labour rather than productivity differences, but it also predicts that the relative price of non-trade-able increases as real per capita income increases. Rich countries have high capital-labour ratios, while poor countries have more labour relative to capital. Because rich countries have higher capital-labour ratios, the marginal productivity of labour is greater in rich countries than in poor countries, and the former will therefore have a higher wage level than the latter. US non-trade, which consist largely of services, are naturally labour-intensive relative to trade-able. Because labour is cheaper in poor countries and is used intensively in producing non-trade-able, non-trade-able also will be cheaper there than in the rich, high-wage countries. Once again, this international difference in the relative price of non-trade-able suggests that overall price levels, when measured in a single currency, should be higher in

rich countries than in poor countries. These are countries such as Saudi Arabia, where wealth is the result of resource endowments rather than high manufacturing productivity or abundant capital. Excluding these countries from the sample would make the regression line at the same time improving its fit.

It should come as no surprise that in a world where PPP does not hold, the long-run values of real exchange rates, just like other relative prices that clear markets, depend on demand and supply conditions. Since a real exchange rate tracks changes in the relative price of two countries' expenditure baskets, however, conditions in both countries matter. Changes in countries' output markets can be complex, and we do not want to digress into an exhaustive (and exhausting) catalogue of the possibilities. We focus instead on two specific cases that are both easy to grasp and important in practice for explaining why the long-run values of real exchange rates can change (Bhagwati, 1984; and Kravis-Lipsey, 1983).

1. A change in world relative demand for American products. Imagine that total world spending on American goods and services rises relative to total world spending on European goods and services. Such a change could arise from several sources—for example, a shift in private U.S. demand away from European goods and toward American goods; a similar shift in private foreign demand toward American goods; or an increase in U.S. government demand falling primarily on U.S. output. Any increase in relative world demand for U.S. products causes an excess demand for them at the previous real exchange rate. To restore equilibrium, the relative price of American output in terms of European output will therefore have to rise: The relative prices of U.S. non-trade-able will rise, and the prices of trade-able produced in the United States, and consumed intensively there, will rise relative to the prices of trade-able made in Europe. These changes all work to reduce $q_{\$/\epsilon}$, the relative price of Europe's reference expenditure basket in terms of the United States. We conclude that an increase in world relative demand for U.S. output causes a long-run real appreciation of the dollar against the euro. Similarly, a decrease in world relative demand for U.S. output causes a long-run real depreciation of the dollar against the euro (a rise in $q_{\$/\epsilon}$) (Bhagwati, 1984; and Kravis-Lipsey, 1983; Frankel-Rose, 1996).

2. A change in relative output supply. Suppose that the productive efficiency of U.S. labour and capital rises. Since Americans spend part of their increased income on foreign goods, the supplies of all types of U.S. goods and services increase relative to the demand for them, the

result being an excess relative supply of American output at the previous real exchange rate. A fall in the relative price of American products—both non-trade-able and trade-able—shifts demand toward them and eliminates the excess supply. This price change is a real depreciation of the dollar against the euro, that is, an increase in $q_{\$/\epsilon}$. A relative expansion of U.S. output causes a long-run real depreciation of the dollar against the euro ($q_{\$/\epsilon}$ rises). A relative expansion of European output causes a long-run real appreciation of the dollar against the euro ($q_{\$/\epsilon}$ falls). Our discussion of the Balassa-Samuelson effect in the Case Study namely *Why Price Levels Are Lower in Poorer Countries* would lead you to expect that a productivity increase concentrated in the U.S. trade-able sector might cause the dollar to appreciate, rather than depreciate, in real terms against the euro. The authors have in mind a balanced productivity increase that benefits the traded and non-traded sectors in equal proportion, thus resulting in a real dollar depreciation by causing a drop in the prices of non-traded goods and in those of traded goods that are more important in America's consumer price index than in Europe's (Bhagwati, 1984; and Kravis-Lipsey, 1983).

A useful table summarizes our discussion of demand, supply, and the long-run real exchange rate. The supply of U.S. output relative to European output, Y_{US}/Y_E , is plotted along the horizontal axis while the real dollar/euro exchange rate, $q_{\$/\epsilon}$, is plotted along the vertical axis. The equilibrium real exchange rate is determined by the intersection of two schedules. The upward-sloping schedule RD shows that the relative demand for U.S. products in general, relative to the demand for European products, rises as $q_{\$/\epsilon}$ rises, that is, as American products become relatively cheaper. This "demand" curve for U.S. relative to European goods has a positive slope because we are measuring a fall in the relative price of U.S. goods by a move upward along the vertical axis. What about relative supply? In the long run, relative national output levels are determined by factor supplies and productivity, with little, if any, effect on the real exchange rate. The relative supply curve, RS, therefore is vertical at the long-run (that is, full-employment) relative output ratio, (Y_{US}/Y_E) . The equilibrium long-run real exchange rate is the one that sets relative demand equal to long-run relative supply (Balassa, 1964; and Kravis-Lipsey, 1983).

The international data's figure easily illustrates how changes in world markets affect the real exchange rate. Suppose world gasoline prices fall, making American sport-utility vehicles more desirable for people everywhere. This change would be a rise in world relative demand for American goods and would shift RD to the right, causing $q_{\$/\epsilon}$ to fall (a real dollar appreci-

ation against the euro). Suppose the United States improves its health-care system, reducing illness throughout the American work force. If workers are able to produce more goods and services in an hour as a result, the rise in U.S. productivity shifts RS to the right, causing $q_{\$/\epsilon}$ to rise (a real dollar depreciation against the euro), (Bhagwati, 1984; and Kravis-Lipsey, 1983; Krugman et al, 2012).

Conclusions

My opinion is that the PPP is calculated in case of the general reviews with describing and analysing some experiences in case of US, EU and developing economies. In general it can be declared that if the PPP per capita is bigger than the GDP per capita in any country, this leads to the negative balance of payment mostly based on the negative balance of foreign trade. In this case the domestic private consumption increases over level of the domestic production, which can result in possible future decrease in consumption and production with increasing unemployment rate.

The study concerns economic conditions of developing countries with comparing also PPP in their whole economies. These developing economies provide a classical negative example for the increasing PPP over the production level and the GDP of these developing economies, which led to increasing their governmental debt and stronger dependence from foreign financial institutions and banks, or other creditors. The increasing growth rate of the population naturally resulted in increasing domestic consumption, of which growing rate became higher than the growing rate of the GDP. Finally this goes to economic crisis and political crisis. This could happen in selected 30 economies in 2008 and at the beginning of 2010s.

3. RESEARCH METHODS

In this research the SPSS (Special Program for Social Sciences) scientific methods are used by ten variances within four components for analysing the performance of different selected thirty Asian and African economies. The structure of the research methods is setting up as it is follow:

FIRST Component

LabProductiv-1	Average Labour Productivity in 2006-2016 in Dollar (2011)
GovDebtinGDP- 2	Average Central government debt, total in % of GDP 2006-2015
BalaPayInGDP- 3	Average of Balance of Payment in GDP, 2005-2015

SECOND Component

GDPperEmploy-4	GDP per Employed from 2006, 2015/2006, 2006= 100
GDPgrowth015 -5	Average GDP growth rate between 2006.-2015. in %
FDIinflow15 - 6	FDI Inward flow 2005-2015, and 2005= 100
FDIoutflow15 - 7	FDI Outward flow 2005-2015 and 2005= 100

THIRD Component

ConsumPr0611 -8	Average of consumer price in 2006-2011 in %
TaxRevenue -9	Average Tax revenue in % of GDP 2006-2016

FOURTH Component

BalanPayment- 10	Balance of Payment 2006-2015, and 2006= 100
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Also in the research some other methods are used mostly compare system among selected 30 economies based on the variances. These variances emphasize the correlations, significance, compare and difference in cases of these selected economies. The main compare for differences among these countries is mostly the labour productivity, GDP growth, GDP per employed, governmental debt, tax revenue, balance of payment, consumer price fluctuation and FDI inflow and outflow process among economies, which this last one is not only among these selected economies but with rest of the world economy. The variance analyses, correlation and regressive calculation, factor analyses and cluster analyses are based on the SPSS research and data analysing (Sajtos – Mitev, 2006).

There are several other experts, for example one of them, namely Salvatore, Dominic (Salvatore 2011), who pointed out that even *Balassa* focused on the positive connections between *labour productivity* and *exports* for the United States of America and the British Economy (UK), which was confirmed by subsequent studies by *Balassa* using 1950 data and *Stern* using 1950 and 1959 data. Also the actual Ricardian trade model was emphasized by *Golub* for the foreign trade between the United States and Japan using data for 33 industries during the last decade of the XX century. Also data coming from 1990s by *Golub* and *Hsieh* for foreign trade among the US and nine other countries (Japan, Germany, the UK, France, Italy, Canada, Australia, Mexico, and Korea) using data for 39 sectors between 1972 and 1992. Thus, production costs other than labour costs, demand considerations, political ties, and various obstructions to the flow of international trade did not seem to break the link between relative labour productivity and export shares (*Golub*, 1995; *Stern -Tubiana*, 2008; *Balassa*, 1962; *Haberler*, 1935).

Also Salvatore, D. (Salvatore 2011, Salvatore, 2003; *Golub- Hsieh*, 2000) over his theory of comparative advantages, who extend his theory with *Heckscher-Ohlin model* concerning the foreign trade, as he wrote:

“The factor-price equalization theorem of the *Heckscher-Ohlin* (H-O) model postulates that *international trade will bring about equalization in the returns to homogeneous or identical factors across nations*. What this means is that international trade will cause the wages of the same type of labour (Labour with the same level of training, skills, and productivity) to be the same in all trading nations (in the absence of trade restriction, transportation costs, and other assumptions). Similarly, international trade will cause the return or earnings of homogeneous capital (Le, capital of the same productivity and risk) to be the same in all trading nations. Both relative and absolute factor prices are equalized.”

My opinion is that the foreign trade included in the accounting for the balance of the payment for any national economy – has important role to stimulate the economic growth, but *the main essence of the economies is to increase the labour productivity*. Because the labour productivity can basically provide to ensure the possible international competitiveness for companies of any national economy. Without labour productivity there is no competitiveness either on the world market or domestic market, because the large sized foreign international

corporations and foreign transnational corporations mostly appear competitors on the domestic market, with their cheaper and higher qualified products and therefore they can press out the national small and medium or large sized companies even from their own national markets.

Therefore the labour productivity and its continuous development can only ensure competitiveness of the domestic-national companies on the world market, and if they could obtain international market positions, just after that they can obtain secular competitiveness on the domestic markets, as well. This means that the first the domestic national companies should produce products and provide services for the domestic market relevant to demands of the world market, and therefore they could obtain competitiveness on the world market and domestic market. From this point of view the domestic markets cannot be separated from the world market.

From this opinion of mine the study also emphasizes on the analysing the developing trends of the labour productivity in direction to the GDP growth and possible positive balance of payment.

Some Different Methods

The research method is to compare and overview the development steps of ASEAN+3 in financial cooperation among member states and IMF, and how financial influences of ASEAN+3 are going in the international financial markets and strengthen their position for economic growth of Asia and world economy. During the research work the published materials of different economic institutions provided their report and statistical data about the developing trend of ASEAN+3. These international financial organizations or institutions are as ASEAN+3, IMF financing (Strauss-Kahn 2009; ASEAN+3, 2012), ISDA, ACMF, IOSCO (IOSCO (International Organization of Securities Commissions) and FSB. These international organizations have published their important printed materials concerning the main financial issues of ASEAN +3 member states in order to describe their conceptions to issue financial credits and financial resources for economic growth of ASEAN+3, also concentrate their financial restores and reserves in their national central banks. Also it is important to describe their debts and reserve management issues (FSB, 2009; ADS, 2000).

At the beginning the ASEAN+3 connections were bilateral and later on multilateral connections within CMIM scheme for their economic growth to obtain financial resources of highly developed economies mostly in Asia. Compare and structure set up of ASEAN+3, International connections, analysing the economic growth of ASEAN+3, data IMF (ISDA, 2010; IOSCO, 2011).

The Asian countries created their basic considerable financial integration organization under their name ASEAN (Association of Southeast Asian Nations, its member states: Indonesia, Malaysia, Philippines, Singapore, Thailand, Laos, Cambodia, Myanmar, Vietnam, Brunei, ASEAN+3: China, Japan, South-Korea). The CMI (Chiang Mai Initiatives) extended its economic activities additionally to former bilateral connection to multilateral connection based on theory as multinational cooperation among member states within international financial organization under the new name CMIM (Chiang Mai Initiatives Multilateralization; Aizenman et al, 2010; World Bank, 2010). Naturally it is the same former organization, which established the multilateral connections for basic cooperation among ASEAN countries accompanying with Japan, China and South Korea, which these three one became wholly member-states of ASEAN+3 and CMIM organization. These three countries made possibilities for the ASEAN and generally Asia to emerge and realise the wide side economic growth from side of financial cooperation. The financial cooperation means essentially that the original ASEAN countries have lack of capital, therefore their national central banks need capital investment from side of the capital strong countries, namely Japan, China and South – Korea based on the dominance of the US dollar and active cooperation of US financial institutions and foreign trade activities (ASEAN+3, 2010, 2012).

From point of view of history belonging to CMIM, this international financial organization has main important original basic initiative resources, namely a US\$100 million network of bilateral FX (Foreign Exchange) swap lines have been established in 1977 by ASEAN's five founding member state, and a web of bilateral repo lines initiated by EMEAP (Executives' Meeting of East Asia Pacific Central Banks including semi-formal gathering of 11 central banks) in 1995-1997. ASEAN's lines were used by Indonesia, Malaysia, the Philippines and Thailand in 1979-1981 and by the Philippines in 1992. Usage required the drawer to be in good standing with the IMF or have been granted standby lines by the Fund, a restriction that prevented use of the lines in 1997-1998, although their scale was too modest to have been useful. (Henning 2002: 14; Asmundson et al, 2011; Török, et al, 2015a)

The research method compares the several financial features of CMIM, as ASEAN multilateral lines with one of Eurozone within the scheme of EFSF (European Financial Stability Facility) and set up the structure of comparing common features of Asian Economies. Because of the CMIM, which is contractual rather than substantive, therefore in contrast with IMF practice or EFSF, a member's claim while a drawing is outstanding is recorded against its user. EFSF is a Luxembourg company owned by the 16 Eurozone states and was created in June 2010 by a framework agreement (EFSF 2010) to be a conduit for emergency loans to any Eurozone member, prior to the more substantive and permanent European Stability Mechanism becoming effective in October 2012. EFSF may borrow in the capital markets with its obligations guaranteed severally by the member states. It is essentially a captive vehicle: the conditions attached to its loans would be negotiated by the European Commission and administration of its borrowing outsourced to Germany's debt management office. The framework agreement resembles a complex credit agreement in terms of detail but in common with CMIM its pre-conditions for use are separate, and subject to decisions of all member states coordinated through the EU Commission, and 'in liaison' with the ECB and IMF (EFSF 2010: § 2(1) and Ackermann, 2007).

CMIM's use of a commercial agreement allows secrecy and also it is common among central banks of ASEAN member states. In general the Bank of Japan has a favourable position to supply financial resources for ASEN within the CMIM organization in order to widen the multilateral lines among countries in Asia, and first in ASEAN. When the ASEN +3 created the CMIM by treaty structure they wanted to set a such financial organization, which can be similar to the operating and working set up of IMF organized by UN member states to provide financial resources for ensuring credits for different countries of the world economy. Naturally when the ASEAN+3 established its own financial structure based on the multilateral lines within CMIM agreement system, this last one cannot be working efficiently as much as the IMF. But the Asian financial organization, namely CMIM can get advisory help provided by IMF and other highly developed economies including the Asian one, first China and Japan. For the present period additionally to two Asian countries South Korea has started to operate within ASEAN+3 organization to strengthen its financial structure for economic interests and growth of member states (Török et al, 2015b).

This study compares relative income disparities using Gini coefficients showing recent data coming from CEIC, IMF, World Bank, Maddison, (2006), which contrast the shares of national income or accumulated wealth of the richest and poorest percentiles of population based on comparing statistical data concerning GDP growth, investment as a share of GDP, export as a share of GDP in case of China, Japan, South Korea, Indonesia and Thailand). The results of the case study use the methodological analyses in order to decrease the social-economic difference among richest and poorest population in ASEAN.

Additionally to some main international economic institutions' works, also economic expert Maddison (2006) analyses the overview about the dynamic economic growth in case of ASEAN country-group emphasizing differences among these countries in field of their performance during the last one-two decades separating three interactive processes, which are follows:

- Conquest or settlement of relatively empty land areas that were fertile, contained new resources for husbandry or cultivation, or the potential to accommodate transfers of population, crops and livestock;
- International trade and capital movements; and
- Technological growth and institutional innovation.

Naturally the above mentioned three processes and conditions basically characterize the ASEAN region in fact and also can be determining important facts for economic growth in other parts of the world economy. In general Asia has an unfavourable economic and geographic conditions, namely Asian countries have less fossil energy resources than the other rest of the world, which has more favourable in this field, while the renewable energy resources are so much diversified, for example water and wind energy. This means that the Asian region can be more independent from the imported fossil energy resource, if they will extend their energy supply from owned renewable energy resources produced in their domestic fields. This position can ensure a possible future developing stability for them. The main base is energy independence for their economic development.

In spite that Asia has less fossil energy resources naturally the wide side energy resources used by China and little less than India used fossil energy resources, for example the carbon resources, which has been used by both of countries for longer time. This led to use more fossil energy resource in their case, which resulted in changing the gas emission from using

fossil energy based on country group from 60% share of highly developed countries to their 40% within the period of 2000- 2008 according the different OECD data bases. By the end of the 2008-2009 China increased its gas emission by two times more therefore with India and developing country group provided the 60% of all gas emission of the World instead of 40% in 2000. This shows that the considerable economic growth of China stimulated the restructuring gas emission contribution from side of the developing countries (Török et al, 2015c).

The main statistical indicators are used in fields of GPP growth, private consumption, fixed capital formation and manufacturing also their changes in some main countries in Asia and Latin-America. The study makes comparison main differences between two main Asian and Latin-American regions to declare main trends in each region and main developing trends, which each region follows. There are three main economic branches can provide profits or incomes for developing countries in recent decades based on the international experiences (OECD, 2012/9):

- .- The *export based on the highly valued products*, which are not as basic products, but high manufactured products as much as the manufacturing sector can provide for the world market.
- .- *FDI from developed countries* in developing countries
- .- The *foreign corporations* are operating in developing countries, which are needed for ensuring more jobs in developing countries and competitive positions of developing countries by advanced technology supplied by these foreign companies. This third one can combine the first and second one within this transnational corporation system, namely the export provided by the transnational corporation and FDI, which is implemented also by the foreign company. In this last one can be more successful. The corporation creates the FDI in foreign countries, by many times, even in developing countries (Bahaa Asmi, 2015).

Naturally the different trends are coming from special economic-social conditions and their connections with some of the highly developed economies, which play important and dominant role for emerging countries in these regions. The different developing trends, strategy and connections with highly developed economies have changed since 2008, the beginning of the world economic crisis, the developing countries could obtain more financial

resources from the international financial credit institutions and highly developed countries by FDI (Foreign Direct Investment). The international credits increases resulted ratio increasing state debt of different countries in these regions, which press developing countries to set up new reforms and newly economic structure in direction to the fast changing world market demands. The question can emerge, that which changing economic conditions can strengthen the market oriented strategy and the export oriented policy in these countries? This question can be interesting for these country groups (see in detailed in Keith Head, 2007; Bahaa Asmi, 2015).

Table-3-1: SWOT (Strengths, Weaknesses, Opportunities, Threatens) for economic growth of Asian countries including ASEAN

<p><i>Strengths</i></p> <p>Long-time development trend Export oriented strategy and policy Mixed energy resources: fossil and renewable one Human resource Many investment as share in GDP Large share of export in GDP</p>	<p><i>Opportunities</i></p> <p>Relatively wide side international market possibilities for export orientation of ASEAN +3 Strengthening economic connection of US with China, Japan, South-Korea and ASEAN More intensive selling innovative technology of US for Asian countries Actually strengthening UD Dollar, as saving currency in Asian banks Receiving willingness of US and EU for FDI of China</p>
<p><i>Weaknesses</i></p> <p>Sometimes low developed level technology Not too strong cooperation among ASEAN countries Considerable negative balance of payment for some ASEAN countries Underdeveloped financial sectors Poor corporate governance Narrow corporate ownership Incomplete legal systems and inconsistent judicial enforcement Widespread cronyism or political corruptions Erode the rule of law are continuing vulnerabilities</p>	<p><i>Threatens</i></p> <p>For longer time the balance of payment in US considerable negative Considerable capital outflow from China and Japan to cover large state debts of the US Decreasing trends of economic growth in Euro Area, decrease their market demands for Chinese products, market narrow Strong arm-military competition in the world economy The productive value added products are narrowing for the civil private-public consumers</p>

Source: CEIC = Macroeconomic, Industry, and Financial Time-series Databases for Emerging Markets and Developed Markets and owned calculations, Török et al, 2015c)

4. RESULTS AND DISCUSSION

4.1 Correlations and Significance among 30 selected Asian and African economies

In this chapter the study analyses the main economic conditions of the 30 selected African and Asian economies from different economic fields of this country group, namely labour productivity, central government debt, balance of payment in GDP, GDP per employed people, average GDP growth rate, FDI inflow, FDI outflow, average consumption price change, average tax revenue changes in percent of GDP and balance of payment between 2005 and 2015.

The analysis has aims to compare the economic conditions of the different economies in different continents, mostly in Asia and Africa with Australia and New-Zealand. The study focuses on the several interesting and important economies with their economic importance in the world economy, for example China as possible leading economy in the world economy, several crude oil exporting countries and newly industrialised countries, as Vietnam, Indonesia and Republic of Korea. There are some of them less developed countries and some of them developing countries with more favourable economic and financial conditions.

The countries are analysed in this chapter, which are as follows: Tunisia, Turkey, Thailand, Jordan, Lebanon, Yemen, Egypt, Pakistan, Algeria, Kuwait, United Arab Emirates, Bahrain, Oman, Bangladesh, Indonesia, Saudi Arabia, Nigeria, India, Myanmar, Qatar, Iraq, Vietnam, Lao People's Democratic Republic, Malaysia, Morocco, Korea - Republic of (South Korea), Philippines, China, Iran - Islam Republic of, and Sudan.

The *research method* of the study is based on the SPSS including 10 variances within four components, which are as follows: **FIRST Component:** LabProductiv (Average Labour Productivity in 2006-2016 in Dollar, GovDebtinGDP (Average Central government debt, total in % of GDP 2006-2015), BalaPayInGDP (Average of Balance of Payment in GDP, 2005-2015); **SECOND Component:** GDPperEmploy (GDP per Employed from 2006, 2015/2006, 2006= 100), GDPgrowth015 (Average GDP growth rate between 2006.-2015. in %), FDIinflow15 (FDI Inward flow 2005-2015, and 2005= 100), FDIoutflow15 (FDI Outward

flow 2005-2015 and 2005= 100), **THIRD Component:** ConsumPr0611 (Average of consumer price in 2006-2011 in %), TaxRevenue (Average Tax revenue in % of GDP 2006-2016), **FOURTH Component:** BalanPayment (Balance of Payment 2006-2015, and 2006= 100).

Results and Discussion in the Research of selected Asian and African countries

The different tables show the correlations and significance among 30 selected Asian and African countries based on the SPSS analysing system using ten variances within four components. The *Table-4-1-1* summarises the main statistical data concerning each country with their data belonging to the ten variances. Also this Table-4-1-1 shows five clusters for 30 countries.

The *Table-4-1-2* well shows Correlation among the variances. If the values of the correlations are closed to 0,500- this means 50% or more, the correlations are strong or if these are down the level of 0,500 the correlations are weak. The value as 0,448 can middle strong among the variances. Naturally the correlations are strong by 0,596 (59,6%) between GDPperEmploy and the GDPgrowth15, because the GDP growth rate stimulates the increasing level of the GDP per employed person/capita. Also if the GDP per employed increases, this means that the GDP growth should increase. Also the same strong correlation is by 0,595 (59,5%) between two variances namely GDPgrowth015, because if the GDP growth rate increases, this concentrates the capital accumulation, which becomes as enough financial bases for creating a good background for increase of FDIoutflow15 (see Table-4-1-2; and Table-4-1-10).

There are other strong correlations among variances, for example in cases of LabProductiv (Labour Productivity) and BalaPayInGDP. This means that if the labour productivity increases either at level of firms or at level of the whole economy, this process stimulates to increase the price income for the firms and by selling their products the VAT – value added taxes – increase for the governmental budget, the export can increase by strengthening the competitiveness of domestic firms on the world market, therefore the balance of governmental budget and balance of the governmental debt and the balance of foreign trade can increase into the positive direction. Also some domestic financial reserves can increase. All of these financial elements make considerable positive influences on the creating the positive balance

of the payment at the level of the domestic performance of the 30 selected Asian and African countries.

This can be easily understood, when the strong correlation is inversely between GovDebtinGDP and BalaPayInGDP, because the governmental debt in GDP increases, this leads to the decreasing level of the balance of payment in GDP. If the governmental debt decreases in % of GDP, the balance of payment in GDP can be increasing to the positive balance of payment in GDP. This contradiction between two variances emphasizes the considerable role of the governmental debt for creating the balance of payment calculated in GDP.

Also there inversely is a logical strong correlation between labour productivity and GDPperEmploy in selected 30 Asian and African countries, which means that if the labour productivity increases, the GDP per employed decreases. *In case this large country-group if the labour productivity increases, the employment level increases, therefore the GDP per employed decreases* (also see the Table-4-1-1). This is true in case of this country-group based on the statistical data-bases, because if the labour productivity increases, this increase is more than the increase of the GDP per employed or the GDP per employed decreases. It has reason that the labour productivity does not increase in all of the sectors in this country group, only the main emphasized or main dominant sectors have increase in labour productivity. For example in China the labour productivity increased by 18,2%, while the GDP per employed increased by six times more than the labour productivity. In Kuwait the labour productivity increased by 157,5% the GDP per employed decreased by 23,8% in the same period (Table-4-1-1; Table-4-1-2; and Table-4-1-10).

Also there is an inversely enough strong or middle strong correlation between labour productivity and GovDebtinGDP, because if the labour productivity increases the GovDebtinGDP – the governmental debt in GDP decreases, because the labour productivity increases the output of the firms and strengthens their international competitiveness on the world market, therefore also the selling of the firms increases on the domestic market, which increases the tax level as revenues for the governmental budget and the governmental debt decreases (see Table-4-1-1; Table-4-1-2 and Figure-4-1-1).

From *point of view of the significance* the labour productivity has very strong significance connection with GovDebtInGDP, GDPperEmploy and BalaPayInGDP. Also the GovDebtInGDP has a strong significance with TaxRevenue, BalaPayInGDP and FDIoutflow15. The other variances, namely the TaxRevenue has a strong significance with GDPperEmploy. The GDPperEmploy has a strong significance with GDPgrowth015, FDIinflow15 and FDIoutflow15. This last one means that the increase of the GDP per employed leads to increase the GDPgrowth015, FDIinflow15 and FDIoutflow15 based on the better economic conditions, where the growth of the domestic performances makes possibility for the better foreign and domestic working capital flows with other countries of the 30 country –group. Also the BalaPayInGDP has a strong significance with FDIoutflow15, because the capital and financial accumulation are very strong in some of the 30 selected countries, therefore their FDI outflow can increase based on their owned capital strengthen or domestic financial reserves (see Table-4-1-2).

In the *Table-4-1-3* the analyses based on the correlations and significance among 30 selected Asian and African countries the KMO value is middle strong, because it is closed to 0,500, which is 0,482 as 48,2% in case of this country-group. The Bartlett's Test of the Sphericity Approx. Chi-Square is 91,097, as so highly level and the significance is the best at level of 0,000 (Table-4-1-3).

The value of KMO at the first line from the Table-4-1-3 can be calculated from the *Table-4-1-4: Anti-image Matrices*, from its part as Anti-image Correlation session based on the average value of the figure on the diagonal line with remark "a". If the values remarked by "a" are closed to 0,500 (as 50,0%), this means that the variance connecting with its value has strongly influences on the correlations of other variances. The variances namely GovDebtInGDP, TaxRevenue, BalaPayInGDP, FDIinflow15 and FDIoutflow15 have strong influences on the other variances. Within these variances the FDIinflow15 has the strongest influences by 0,914 (91,4%) and the second FDIoutflow15 by 0,722 (72,2%). The *Table-4-1-5: Communalities* shows that each how much by percent the each variance is explained for the analyses or how the importance of each variance in the analyses. If the value belonging to each variance is at level of 0,500 (as 50,0%) or higher the explain is strong in cases of the variances. BalanPayment is explained by 0,956, GDPperEmploy is explained by 0,816, and only one variance namely FDIinflow15 is under the level of 0,500. All of the other variances over level of 0,500, which means that the variances are strongly explained in the analyses.

Table-4-1-1: Summarised table of 30 selected Asian and African countries

<i>1-Tunisia</i>	33,372	44,36	-6,4	17,3	3	2,8	17,5	3,96	20,1	-8,4
Turkey	54,082	44,35	-5,6	5,8	3,9	6,5	34,9	8,72	20,2	-5,3
Thailand	22,352	26,62	2	22,5	3,3	3,6	-4,7	3,1	15,7	8,1
Jordan	45,046	64,35	-13,5	-9,8	4,5	-3,6	-9,9	7,2	17,67	-4,6
Lebanon	43,287	111	-15	7,6	4,7	-29,5	-1,3	7,88	15,66	-19,6
Yemen	16,046	24	-1,8	-20	1,2	-29,4	6,6	11,7	11	-24,4
Egypt	33,568	85,8	-1,8	16,7	4,34	2,8	-8,5	11,95	14,14	-37,2
Pakistan	13,627	79,08	-1,8	5,9	3,8	6,1	-47,7	12,66	9,83	-4,4
Algeria	47,427	68,92	18,3	3,85	3	-30,3	8,4	3,575	38,36	-27,2
<i>5- Iran. I R of</i>	<i>53,797</i>	<i>3,8</i>	<i>4,5</i>	<i>12,9</i>	<i>2,7</i>	<i>-2,9</i>	<i>-6,6</i>	<i>15,275</i>	<i>6,68</i>	<i>-5,8</i>
Sudan	16,183	36,2	-5,7	-7	4,2	0,74	0,1	106,9	9,5	-0,2
<i>4- Iraq</i>	<i>62,6</i>	<i>4,2</i>	<i>-4,6</i>	<i>10,7</i>	<i>5,8</i>	<i>57,4</i>	<i>7,2</i>	<i>17,9</i>	<i>0,91</i>	<i>-9,6</i>
Viet Nam	8,068	35	-0,25	43,9	6,11	50,4	22,2	10,95	21,2	6,2
Lao PDR	8,879	106	-12,5	53	7,9	43,7	-8,6	4,325	13,89	-9,2
Malaysia	49,427	46,94	8,5	23,2	4,9	173,6	22,2	2,75	14,7	-5,5
Morocco	20,448	50,9	-3,5	27,38	4,5	91,2	76,5	3,07	23,57	-28,5
Korea, R.of	2,744	36,31	4,6	24,5	3,55	-4,3	23,2	3,18	14,52	73,7
Philippines	14,934	52,7	2,4	28,2	5,4	18,3	53,6	5,06	13,04	32,2
China	18,207	11,5	4,4	109,3	9,55	8,7	118,3	2,94	9,9	14,9
<i>2- Kuwait</i>	<i>157,464</i>	<i>4,8</i>	<i>21,3</i>	<i>-23,8</i>	<i>2,2</i>	<i>2,5</i>	<i>0,1</i>	<i>5,35</i>	<i>1,2</i>	<i>-7,1</i>
United A E	101,516	1,9	13,3	-39,4	3,7	0,1	14,7	10,9	0,35	-1,5
Bahrain	78,748	22,98	4,4	-16	4,6	-23,8	-5,6	2,74	1,18	-3,7
Oman	97,984	5,4	-2,2	-32,2	4,52	-4,7	26,5	5,4	2,55	-30,9
<i>3-Bangladesh</i>	<i>6,344</i>	<i>31,2</i>	<i>1,2</i>	<i>44,5</i>	<i>6,2</i>	<i>16,5</i>	<i>35,3</i>	<i>7,66</i>	<i>7,95</i>	<i>2,7</i>
Indonesia	19,805	27,93	-1,1	37,9	5,63	8,6	10,4	7,86	11,36	-6,1
Saudi Arab.	132,097	1,8	12,5	17,3	5,2	-3,3	41,3	5,32	12,2	-26,8
Nigeria	17,687	11,43	5	33,9	5,96	6,2	55,5	9,4	3	-21,8
India	12,667	54,47	-1,1	66,7	7,4	48	15,1	9,58	86,8	-11,8
Myanmar	3,272	11,6	-1,15	64,1	8	5,73	0,1	18,9	3,12	-89,3
Qatar	185,753	2	11,5	7,3	12,4	-5,7	116	8,02	18,23	8,4
Variances	1	2	3	4	5	6	7	8	9	10

Source: *Source:* ILOSTAT, 2016,

http://www.ilo.org/ilostat/faces/oracle/webcenter/portallapp/pagehierarchy/Page3.jsp?MBI_ID=49

World Development Indicators, GC.DOD.TOTL.GD.ZS, 2016

UNCTAD Handbook of Statistics, 2016, New York, Geneva, p. 264, Million US dollar, in percent, 2005 = 100, 2015/2005

FIRST Component

LabProductiv-1

Average Labour Productivity in 2006-2016 in Dollar (2011)

GovDebtinGDP- 2

Average Central government debt, total in % of GDP 2006-2015

BalaPayInGDP- 3

Average of Balance of Payment in GDP, 2005-2015

SECOND Component

GDPperEmploy-4

GDP per Employed from 2006, 2015/2006, 2006= 100

GDPgrowth015 -5

Average GDP growth rate between 2006.-2015. in %

FDIinflow15 - 6

FDI Inward flow 2005-2015, and 2005= 100

FDIoutflow15 - 7

FDI Outward flow 2005-2015 and 2005= 100

THIRD Component

ConsumPr0611 -8

Average of consumer price in 2006-2011 in %

TaxRevenue -9

Average Tax revenue in % of GDP 2006-2016

FOURTH Component

BalanPayment- 10

Balance of Payment 2006-2015, and 2006= 100

Table-4-1-2: Correlation Matrix

		Consum Pr0611	LabPro ductiv	GovDeb tinGDP	TaxRe venue	GDPper Employ	GDPgro wth015	BalanP ayment	BalaPay InGDP	FDlinfl ow15	FDIout flow15
Corre lation	Consum Pr0611	1,000	-,135	-,046	-,089	-,152	-,059	-,050	-,190	-,083	-,181
	LabProd uctiv	-,135	1,000	-,448	-,206	-,525	,114	-,047	,542	-,166	,237
	GovDeb tinGDP	-,046	-,448	1,000	,356	,120	-,092	-,010	-,542	,079	-,375
	TaxRev enue	-,089	-,206	,356	1,000	,324	,145	,024	-,073	,171	,051
	GDPper Employ	-,152	-,525	,120	,324	1,000	,596	,023	-,156	,307	,376
	GDPgro wth015	-,059	,114	-,092	,145	,596	1,000	-,021	-,042	,179	,595
	BalanPa yment	-,050	-,047	-,010	,024	,023	-,021	1,000	,108	,020	,207
	BalaPay InGDP	-,190	,542	-,542	-,073	-,156	-,042	,108	1,000	-,036	,263
	FDlinfl ow15	-,083	-,166	,079	,171	,307	,179	,020	-,036	1,000	,143
	FDIoutfl ow15	-,181	,237	-,375	,051	,376	,595	,207	,263	,143	1,000
	Sig. (1- tailed)	Consum Pr0611		,239	,404	,319	,212	,379	,397	,157	,331
LabProd uctiv		,239		,006	,137	,001	,275	,404	,001	,191	,104
GovDeb tinGDP		,404	,006		,027	,265	,315	,479	,001	,338	,021
TaxRev enue		,319	,137	,027		,040	,222	,450	,351	,183	,394
GDPper Employ		,212	,001	,265	,040		,000	,453	,206	,049	,020
GDPgro wth015		,379	,275	,315	,222	,000		,455	,413	,172	,000
BalanPa yment		,397	,404	,479	,450	,453	,455		,286	,459	,136
BalaPay InGDP		,157	,001	,001	,351	,206	,413	,286		,426	,081
FDlinfl ow15		,331	,191	,338	,183	,049	,172	,459	,426		,226
FDIoutfl ow15		,169	,104	,021	,394	,020	,000	,136	,081	,226	

Source: ILOSTAT, 2016,

http://www.ilo.org/ilostat/faces/oracle/webcenter/portalapp/pagehierarchy/Page3.jspx?MBI_ID=49

World Development Indicators, GC.DOD.TOTL.GD.ZS, 2016

UNCTAD Handbook of Statistics, 2016, New York, Geneva, p. 264, Million US dollar, in percent, 2005 = 100, 2015/2005. Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	,482
Bartlett's Test of Sphericity	91,097
Approx. Chi-Square	
df	45
Sig.	,000

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-4: Anti-image Matrices

		Consum Pr0611	LabPro ductiv	GovDeb tinGDP	TaxRe venue	GDPper Employ	GDPgro wth015	BalanP ayment	BalaPay InGDP	FDlinfl ow15	FDIout flow15
Anti- image Covar iance	Consum Pr0611	,793	,126	,149	-,039	,123	-,125	,013	,035	,022	,073
	LabPro ductiv	,126	,217	,049	-,027	,162	-,154	,069	-,154	,011	-,038
	GovDeb tinGDP	,149	,049	,490	-,231	,031	-,039	-,067	,173	-,025	,143
	TaxRev enue	-,039	-,027	-,231	,752	-,071	,026	,007	-,075	-,049	-,033
	GDPper Employ	,123	,162	,031	-,071	,188	-,162	,046	-,092	-,043	-,042
	GDPgro wth015	-,125	-,154	-,039	,026	-,162	,272	,016	,131	-,001	-,109
	BalanPa yment	,013	,069	-,067	,007	,046	,016	,885	-,094	,008	-,183
	BalaPay InGDP	,035	-,154	,173	-,075	-,092	,131	-,094	,461	-,017	-,011
	FDlinfl ow15	,022	,011	-,025	-,049	-,043	-,001	,008	-,017	,895	-,033
	FDIoutfl ow15	,073	-,038	,143	-,033	-,042	-,109	-,183	-,011	-,033	,452
	Anti- image Correl ation	Consum Pr0611	,278 ^a	,305	,240	-,051	,319	-,269	,015	,058	,026
LabPro ductiv		,305	,391 ^a	,150	-,067	,802	-,636	,158	-,488	,026	-,122
GovDeb tinGDP		,240	,150	,621^a	-,380	,101	-,108	-,101	,365	-,038	,305
TaxRev enue		-,051	-,067	-,380	,614^a	-,190	,057	,008	-,128	-,059	-,056
GDPper Employ		,319	,802	,101	-,190	,417 ^a	-,716	,112	-,313	-,104	-,145
GDPgro wth015		-,269	-,636	-,108	,057	-,716	,389 ^a	,032	,369	-,001	-,311
BalanPa yment		,015	,158	-,101	,008	,112	,032	,284 ^a	-,147	,009	-,290
BalaPay InGDP		,058	-,488	,365	-,128	-,313	,369	-,147	,532^a	-,027	-,025
FDlinfl ow15		,026	,026	-,038	-,059	-,104	-,001	,009	-,027	,914^a	-,051
FDIoutfl ow15		,121	-,122	,305	-,056	-,145	-,311	-,290	-,025	-,051	,722^a

a. Measures of Sampling Adequacy(MSA)

Source: The same as in Table-4-1-1 and Table-4-1-2.

Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

In the other *Table-4-1-6: Total variance explained*, means that the four components included ten variances are explained by 69,527 (69,5%) for the analyses concerning the performance the 30 selected economies. This means that the variances were choosed correctly for preparing the analyses for cases of the 30 selected Asian and African countries. Therefore the results of the analyses also can be correct and funds of the research can be real.

Based on the values of the *Table-4-1-7: Component Matrix* the differences among the values of the variances cannot be so clear therefore the Rotated Component Matrix (see *Table-4-1-8*) should be better for analyses based on the difference among variances of the four components instead of the former Component Matrix.

The *Table-4-1-9* shows the minimum, maximum, mean and Std. Deviation concerning the each variances in cases of the 30 selected countries, where there are the *minimum values*, *maximum values*, *mean as average values* and Std. Deviation the *difference – as distance - among the minimum and maximum values* of the variances of the 30 country-group. The rate of values should be understood directly from the figures based on the SPSS system. The minimum and maximum values well clearly show how much considerable differences are among the 30 selected countries in fields of different variances. Based on the Std. Deviation the largest differences are among selected countries in fields of labour productivity by value of 46,76 and even mostly the range among these countries is setting up their values in labour productivity.

Table-4-1-5: Communalities

	Initial	Extraction
ConsumPr0611	1,000	,679
LabProductiv	1,000	,761
GovDebtinGDP	1,000	,718
TaxRevenue	1,000	,503
GDPperEmploy	1,000	,816
GDPgrowth015	1,000	,791
BalanPayment	1,000	,956
BalaPayInGDP	1,000	,686
FDlinflow15	1,000	,258
FDIoutflow15	1,000	,785

Extraction Method: Principal Component Analysis.

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-6: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2,486	24,864	24,864	2,486	24,864	24,864	2,403	24,028	24,028
2	2,311	23,115	47,979	2,311	23,115	47,979	2,175	21,750	45,778
3	1,136	11,358	59,337	1,136	11,358	59,337	1,305	13,046	58,824
4	1,019	10,191	69,527	1,019	10,191	69,527	1,070	10,704	69,527
5	,867	8,671	78,199						
6	,802	8,022	86,220						
7	,658	6,581	92,802						
8	,358	3,579	96,381						
9	,278	2,776	99,156						
10	,084	,844	100,000						

Extraction Method: Principal Component Analysis.

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-7: Component Matrix^a

	Component			
	1	2	3	4
ConsumPr0611	,039	-,323	-,674	,345
LabProductiv	-,812	,177	,076	-,254
GovDebtinGDP	,714	-,352	,274	-,097
TaxRevenue	,505	,206	,408	-,198
GDPperEmploy	,632	,633	-,125	,019
GDPgrowth015	,194	,786	-,352	-,105
BalanPayment	-,033	,178	,421	,864
BalaPayInGDP	-,695	,330	,303	-,051
FDlinflow15	,340	,346	,128	-,078
FDIoutflow15	-,154	,855	-,095	,144

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-8: Rotated Component Matrix^a

	Component			
	1	2	3	4
ConsumPr0611	-,299	-,023	-,768	-,021
LabProductiv	,851	-,119	-,027	-,147
GovDebtinGDP	-,724	-,199	,390	-,047
TaxRevenue	-,297	,181	,618	,010
GDPperEmploy	-,362	,793	,231	,045
GDPgrowth015	,079	,877	,005	-,126
BalanPayment	,020	,018	,023	,977
BalaPayInGDP	,801	-,025	,147	,150
FDlinflow15	-,152	,359	,324	,027
FDloutflow15	,417	,748	,027	,224

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-9: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ConsumPr0611	30	2,74	106,90	11,0653	18,64462
LabProductiv	30	2,70	185,75	45,9154	46,76897
GovDebtinGDP	30	1,80	111,00	36,9183	30,82802
TaxRevenue	30	,35	86,80	14,6190	15,93215
GDPperEmploy	30	-39,40	109,30	17,8743	31,47004
GDPgrowth015	30	1,20	12,40	5,0720	2,27639
BalanPayment	30	-89,30	73,70	-8,0900	25,97740
BalaPayInGDP	30	-15,00	21,30	1,1967	8,54940
FDlinflow15	30	-30,30	173,60	13,8657	40,25897
FDloutflow15	30	-47,70	118,30	20,4267	35,61168
Valid N (listwise)	30				

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

The *Table-4-1-9* shows the minimum, maximum, mean and Std. Deviation concerning the each variances in cases of the 30 selected countries, where there are the *minimum values*, *maximum values*, *mean as average values* and Std. Deviation the *difference – as distance - among the minimum and maximum values* of the variances of the 30 country-group. The rate of values should be understood as generally and not exact calculation directly from the figures based on the SPSS system. The minimum and maximum values well clearly show how much considerable differences are among the 30 selected countries in fields of different variances. Based on the Std. Deviation the largest differences are among selected countries in fields of labour productivity by value of 46,76 and even mostly the range among these countries is setting up their values in labour productivity.

Also the second and the third considerable differences are in fields of FDIinflow15 by 40,25 and FDIoutflow15 by 35,61. These values considerably emphasize that the dominant role is for the labour productivity variance and after that this variance can make important effect on the conditions concerning the FDI inflows and outflow by the end of 2015. The GDPperEmploy and the GovDebtinGDP have also important role in creating the range list among 30 selected countries, because if the GDP per employed increases the Government Debt in GDP can little increases or decreases. Sometimes in cases of the 30 selected countries in spite that the GDPperEmploy increases, the GovDebtinGDP can increases because the former governmental debt in GDP was originally at highly level, which cannot decrease after increase of the GDPperEmploy.

Also in some countries of the 30 selected ones, the governmental debt has turbulence effect on the performance, therefore the economic growth rate and increase of the GDP per employed cannot make enough balance against the heavy debt burden on the whole performance of the countries. This economic process is proofed by data bases for example for cases of India, Nigeria, Indonesia, Bangladesh, Malaysia, Lao, Vietnam, Philippines, Thailand and Morocco (see *Table-4-1-1* and *Table-4-1-9*). Also in case of the variance namely GDPgrowth015 its value is top in Qatar, but China has more considerable economic growth in GDP in the world economy based on the diversified strategy for increase of its performance and not only the mining sector, as this is crude oil industry in Qatar.

In spite that the value of variance namely GDPgrowth015 is 2,27 of Std. Deviation and this is not seemed as so considerable, but the difference is so important, because the development

trends are quietly different either to direction into diversified or one-side development trend. This last one makes countries be sensitive and much depended from the world economy, when in other case the diversified economy can be more flexible and can easierly meet demands of the world market. Also the diversified economic structure provides diversified structure of export therefore such kinds of products can be more produced, of which world price increases.

Also the balance of payment quietly is very bad comparably to other variances, because only this variance is alone with negative value of mean, as 8,09 average value of the 30 selected countries. 23 countries of the all 30 selected one have negative balance of payment, which show the very weak financial conditions of this large country group of the world economy. Only three countries have above 10% positive balance of payment of the 30 selected one, namely Korea of Republic, China and Philippines (Table-4-1-9).

In the *Figure-4-1-1*, the factor analysis shows the correlations among different 30 selected Asian and African countries based on the REGR factor score 1 and REGR factor score 2. The first component includes the variances, namely **LabProductiv**, **GovDebtinGDP** and **BalaPayinGDP** on the principle “X” line and the second component includes other variances **GDPperEmploy**, **GDPgrowth015**, **FDIinflow15** and **FDIoutflow15** on the principle “Y” line.

In the selected countries *above principle “X” line on the right side until “Origo”* the LabProductiv and BalaPayinGDP mostly increase, while the GovDebtinGDP decreases. Also in these countries the GDPperEmploy, GDPgrowth015, FDIinflow15 and FDIoutflow15 increase. This means that the increase of the LabProductiv and BalaPayinGD and decrease of the GovDebtinGDP can make influences on the increasing the other variances of the second component. *By the increasing labour productivity the production process can also increase accompanying the positive balance of payment calculated in GDP (Thesis), which leads to increasing rate of GDP per employed and GDP growing rate. Naturally the better income possibility for the firms can stimulate them to increase the FDI inflow into these countries and FDI outflow from the national economies to other countries either in Asian and African one or to the other region of the world economy. The better economic conditions decreases the negative balance of payment or increase the positive balance of payment calculated in GDP for the national economies of the Asian and African countries. Therefore the governmental debt could decrease in GDP in the same time (see Figure-4-1-1). Also the FDI inflow is*

stimulated by national economies by ensuring secure well-seen concerning the economic favourable background for the foreign companies.

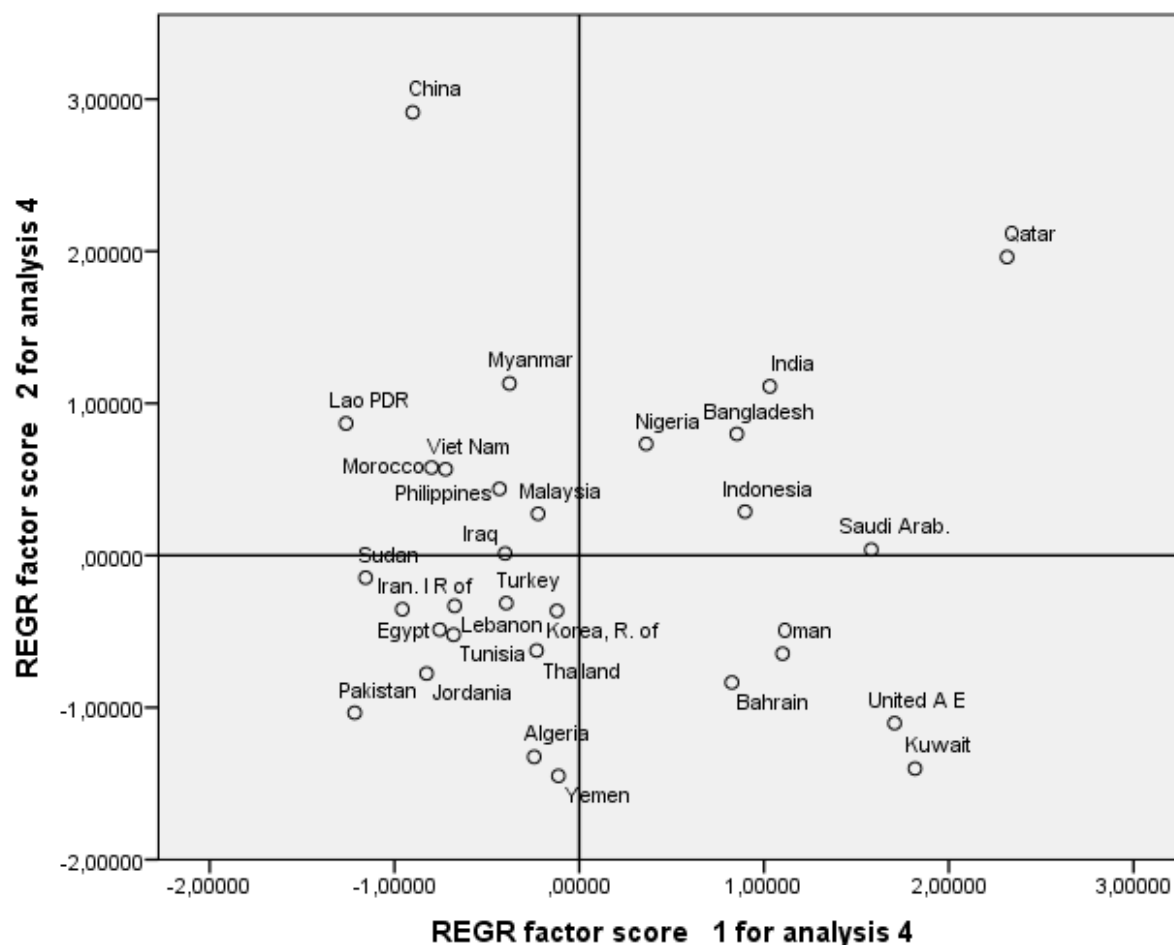


Figure-4-1-1: Analysis for Factor score 1 and 2

FIRST Component

LabProductiv-1

Average Labour Productivity in 2006-2016 in Dollar (2011)

GovDebtinGDP- 2

Average Central government debt, total in % of GDP 2006-2015

BalaPayInGDP- 3

Average of Balance of Payment in GDP, 2005-2015

SECOND Component

GDPperEmploy-4

GDP per Employed from 2006, 2015/2006, 2006= 100

GDPgrowth015 -5

Average GDP growth rate between 2006-2015 in %

FDIinflow15 - 6

FDI Inward flow 2005-2015, and 2005= 100

FDIoutflow15 - 7

FDI Outward flow 2005-2015 and 2005= 100

Source:

ILOSTAT, 2016,

http://www.ilo.org/ilostat/faces/oracle/webcenter/portalapp/pagehierarchy/Page3.jspx?MBI_ID=49

World Development Indicators, GC.DOD.TOTL.GD.ZS, 2016

UNCTAD Handbook of Statistics, 2016, New York, Geneva , p. 264, Million US dollar, in percent, 2005 = 100, 2015/2005

EXAMPLES of the countries, namely Qatar, India, Bangladesh, Nigeria, Indonesia and Saudi Arabia: From point of view of the data bases coming from 30 selected African and Asian economies it is very clear that the labour productivity, LabProductiv, has a dominant role for setting the range of countries (Thesis). In this quarter of the score, over line "X" in the right side, most of the countries calculated by this statistical program have had considerable average increase in field of the labour productivity from 2006 to 2016 based on the dollar of 2011. For example increase of the labour productivity has been 185,7% in Qatar, 132,1% in Saudi Arabia, 19,8% in Indonesia and 17,7% in Nigeria, which two last one were considerable but not highly as in cases of Qatar and Saudi Arabia for 2006-2016. Myanmar had little increase by 3,3% during the same period.

The countries of the first quarter of this score with Myanmar are participating in the third country group (see Figure-4-1-4; Figure-4-1-5 and Table-4-1-1; ILOSTAT, 2016, UNCTAD, 2016). Also their economic conditions are more favourable than the other county-groups' one, because the *GovDebtinGDP*, as average central government debt, in total in percent of the GDP between 2006 and 2015 was at low level comparably to other countries. The measure of the governmental debt was 1,8% in Saudi Arabia, 2% in Qatar, while 54,5% was in India, which this last one was the highest level in this third country-group for this period. Also the average central government debt was at very high level by 31,2% in Bangladesh and 27,9% in Indonesia. But in Nigeria and Myanmar this governmental debt in GDP was not so high by about 11% in both of them. Also in the same period the average balance of payment in GDP was considerable positive in crude oil exporting countries of this country-group, namely 12,5% in Saudi Arabia, 11,5% in Qatar and 5% in Nigeria. In case of Bangladesh the positive balance of payment in GDP was at very low level by 1,2%, but the balance was negative at minimum level by -1,1 and -1,15 in Indonesia, India and Myanmar (earlier under the name of Burma). *Generally those countries, which have considerable positive balance of payment in GDP, the governmental debt will be less than the GDP. This can be demonstrated in cases of the crude oil exporting countries. In those countries, where the balance of payment in percent of GDP is less positive or negative, even in less negative balance, their governmental debt in GDP can be considerable (Thesis). This is a logical and strong correlation between the balance of payment and government debt.*

From the second component the variance GDP per employed from 2006 to 2015, where the 2006 = 100, the most important crude oil economies, as Saudi Arabia and Qatar have less GDP per employed by 17,3% in Saudi Arabia and 7,3% in Qatar, than one of other economies of this country group, because originally both of them have highly level of GDP per employed, which cannot increase so considerably comparably to other developing countries' results. For example GDP per employed was 66,7% in India, 64,1% in Myanmar, 44,5% in Bangladesh. Also other two crude oil exporting countries, namely Indonesia has 37,9% and Nigeria has 33,9% in 2015 from 2006 (100%), because the crude oil export could ensure considerable development for GDP per employed, but from the lower level than one of Saudi Arabia and Qatar. *Naturally the GDP per employed is always depending on the world price of the crude oil, which can follow the economic growth of crude oil exporting countries.*

Also the similarly to above mentioned it can be declared that the average GDP growth rate between 2006-2015 in %, as variance namely GDPgrowth015, was in cases of the crude oil exporting economies, for example 12,4% in Qatar, 5,2% in Saudi Arabia, 5,96% in Nigeria and 5,63% in Indonesia. But other countries have higher growing rate than in cases of crude oil economies, because their economic backwardness was more considerable, for example 8% in Myanmar, 7,4% in India and 6,2% in Bangladesh. Also it should be mentioned that Qatar could reach 12,4% for GDP growing rate in this period from all of the 30 selected countries, but this country has a small economic measure comparably with India with its population more than one billion people or Indonesia, where 200 hundred million people are living.

In cases of those countries, where the balance of payment in GDP and therefore the average central government debt in GDP is at low level and also their domestic market size is small concerning the measure of the population, these countries have considerable FDIoutflow15 (variance). For example it is proofed in cases of Qatar by 116% by 41,3% increasing FDIoutflow15, Saudi Arabia by 41,3% and Nigeria by 55,5%. India has average central government debt in GDP by 54,47%, which led to high level of the FDIinflow15 by 48% and FDIoutflow15 by 15,1%. Naturally in case of India the highest GDP per employed by 66,7% was resulted by the highest FDIinflow15 by 48% based on the 54,47% central government debt in GDP in this period, in this third country group (see Figure-4-1-1, Figure-4-1-4, Figure-4-1-5 and Table-4-1-1, ILOSTAT, 2016 and World Development Indicators, 2016). The positive balance of payment in GDP and the FDIoutflow15 are the highest from those countries, where the central government debt is lowest – Qatar, Saudi Arabia and Nigeria. In those countries, where the central government debt in GDP is high or considerable, the

FDIinflow15 is more considerable, for example, in cases of India, Bangladesh and Indonesia. In case of Bangladesh the FDIoutflow15 is very low comparably to other countries of the third country-group.

Also the FDIinflow15 is at very low level, for example Qatar decreased FDIinflow15 by 5,7%, Saudi Arabia decreased by 3,3% and Nigeria increased only by 6,2% and Indonesia increased the FDIinflow15 by 8,6% averagely from 2005 (2005= 100%).

Above the principle "X" line after "Origo" to left side these selected countries have the decreasing trends of LabProductiv, BalaPayinGD and increase of the GovDebinGDP. But this decreasing trend of labour productivity and balance of payment in GDP was not so considerable, even the Governmental debt in GDP increased, therefore *on the principle "Y"* the GDPperEmploy, GDPgrowth015, FDIinflow15 and FDIoutflow15 could remain in somehow increasing trends.

EXAMPLES of the countries, namely China, Myanmar, Laos PDR, Vietnam, Morocco, Philippines, Malaysia, Iraq: In this session of the score China has an important role also in this 30 selected countries, because China could have implemented the highest level for the average *GDP growth rate* between 2006 and 2015 by 9,55%. Only Qatar could implement more GDP growing rate by 12,4%, but Qatar developed his mining sector, namely crude oil mining and this country did not follow the diversified economic growth, but China should develop wide side economy included many economic branches, for example manufacturing industry for mining sector, chemical industry, light industries, communication sector (radio, television). Also China has developed the infrastructure in side China and could use the building industrial equipment out of China, therefore this country has realised the highest level for *FDIoutflow15* since 2005. The strong trend of Chinese FDIoutflow15 could help China to strengthen its world economic role, mostly in Asia. In spite that Qatar is the second country in the 30 selected economies after China in field of FDIoutflow15 from 2005, Qatar is a small economy to integrate its crude oil export income into its economic structure. This crude oil income provides the capacity of this country for the FDIoutflow15 from 2005.

Additionally to the GDP growth and FDI outflow of China, also China has realised the highest level of growth for the *GDP per employed* by 109,3% since 2006, which is more than any other country from the 30 selected one in the same period. Also this GDP growth per

employed was needed for China, because the demands of the wide side national market and domestic consumers should be met by the Chinese industrial supply. Also this considerable GDP per employed is needed for the consequence and dynamic export oriented foreign strategy and policy to supply the demands of more wide side world market. In this case the Chinese industry wanted to obtain more share of the world market, while the demand of the domestic market should be supplied.

Naturally the LabProductiv, as average labour productivity in the period of 2006 and 2016 has a considerable role for creating a better and more favourable competitive position of any country on the world market. China could have obtained a considerable and consequence development trend in field of the labour productivity by 18,2% for the same period. In spite that this growing rate is not seemed as highly level, but to realise this result in the large sized economy of China, this result is very considerable one even comparably to the results of the selected 30 countries.

For example in India, where the population is also very highly level, the government debt in GDP (GovDebtinGDP, as variance) has been 54,47% averagely for the period of 2006-2015, while China had only at level of 11,5% in the same period. India had less capacity to realise the FDIoutflow15 by 15,1% against 118,3% of China's result in this field. The FDIinflow15 is opposite, because India focuses on the FDI inflow in order to concentrate on the creating more jobs by using foreign capital resources, namely by 48% from 2005 to increase the level of the supply for the domestic market demands. China has only had 8,75 increase of the FDIinflow15 in the same time period.

In the country-group 30 countries Malaysia has the highest level of FDIinflow15 by 173,6% from 2005, while the GovDebtinGDP was about 46,9%, therefore Malaysia wanted to compensate such a large governmental debt in its GDP by using foreign capital resources in order to increase the jobs and the production level . Also Malaysia wanted to increase the developed level of the labour productivity, which has been about 49,43% for the period of 2006 and 2016. Naturally this developing strategy can help this country to realise 4,9% GDPgrowth015 by the end of 2015. In case of Malaysia it also can be seen that when the government debt in GDP increases the national governments want to compensate by increasing FDIinflow15, as a variance of the second component.

In case of Iraq the labour productivity has increased by 62,6%, while the BalaPayinGDP decreased considerably by the level of 4,6%. Therefore Iraq has opened the possibility for the FDI inflow to integrate into the national economic structure to realise GDP growing rate per employed – as variance namely GDPperEmploy – by 10,7% and GDP growing rate generally by 5,5% since 2006. This situation of Iraq also shows how the developing economies would like to compensate their lack of capital by increasing the FDI inflow into the national economies. In case of Korea, Republic of South in spite that the labour productivity can be seen as very low level of its development, because it has only been 2,7% and 36,3% in government debt total in GDP for the period of 2006-2016, this country could realise 24,5% increase for the GDPperEmploy within the same period. Morocco and Philippines have considerable FDIoutflow015 by 76,5% and 53,6%, which could have contributed to the increase of the GovDebtinGDP by 50,9% (Morocco) and 52,7% (Philippines) for the period of 2006-2016.

In some cases the large amount of the government debt in GDP stimulated countries to increase the FDIinflow015, for example in case of Lao PDR, when it has 106% in field of GovDebtinGDP, but the FDIoutflow015 has decreased by -8,6% since 2005. But sometimes it is opposite, when the large amount of the government debt in GDP resulted by the so large considerable FDIoutflow015, for example in cases of Morocco and Philippines, as it is mentioned before.

In cases of Vietnam and Laos PDR, because their labour productivity increase has increased at very low level, namely about by 8% and 9% for the period of 2006-2016, and the GovDebtinGDP has been at the level of 35% in Vietnam and 106% in Lao PDR for the same period. These data, as high GovDebtinGDP and high FDIinflow015, show a very strong one-side economic dependence from the world economy or from the international regional country-groups, even highly developed economies, or the international financial credit institutes, for example the World Bank and the International Monetary Fund. Generally the lack of capital is also considerable reason for the one-side economic dependence of the developing economies, which can be proofed by the intensive FDI inflow into the national economies of the developing countries sometimes.

Under the line "X" on the right side from "Origo" the relative satisfactory increase of the LabProductiv and BalaPayinGD and decrease of the GovDebtinGDP could not ensure

increase of the GDPperEmploy, GDPgrowth015, FDIinflow15 and FDIoutflow15, because these four variances of the second component has decreased since the middle of 2000s. Mostly countries of the second country-group are in this session of the score system. These four economies are as follows: Kuwait, the United Arab Emirates, Bahrein and Oman.

EXAMPLES of the countries, namely Kuwait, United Arab Emirates, Bahrein and Oman: These four countries are Arab and considerable crude oil export economies and by Gulf Council Committee within Saudi Arabia, they have favourable economic influences on the world economy. These countries have considerable development in the field of LabProductiv, which can be thanks to the highly level of their crude oil export revenues, namely 157,5% of Kuwait, 101,5% of the United Arab Emirates, 78,7% of Bahrein and 97,98% of Oman from 2006. The mining sector mostly the crude oil one, the chemical industry and also the logistic system for the transport of crude oil and refining crude oil are very developed even in the international compare. The government debt in GDP is not so big as 4,8% in Kuwait, 1,9% in the United Arab Emirates and 5,4% in Oman., but except this was 22,98% in Bahrein. Also either FDIinflow015 or FDIoutflow015 were not considerable. This country-group implemented considerable decrease in field of GDPperEmploy, because their industrial production – over the mining sector – was not so important. These countries mostly used the import to supply the demands of the national markets instead of developing national industries. Therefore the GDPperEmploy decreased by 39,4% in the United Arab Emirates, 32,2% in Oman, 23,8% in Kuwait and 16% in Bahrein. In these four countries the GDPperEmploy is at the highest level in the 30 countries' group, but also this decreased by 20% in Yemen, 9,8% in Jordan and 7% in Sudan. All of the other countries within 30 one the increase trend is dominant for the GDPperEmploy.

Under the principle “X” line on the left side, after “Origo” these selected countries, mostly in the first country-group have also decreasing trends of LabProductiv and BalaPayinGD and increase of the GovDebinGDP. While also this decreasing trend of labour productivity and balance of payment in GDP was somehow so stronger, even the Governmental debt in GDP increased, therefore the GDPperEmploy, GDPgrowth015, FDIinflow15 and FDIoutflow15 had decreasing trends. Mostly for this first country-group their economic developing trend and general economic conditions were not favourable relatively to the other selected countries from 30 one. In these countries the result of the decreasing level of the labour productivity

was decreasing growing rate of these economies based on the increasing governmental debt in GDP and increasing the negative balance of payment in GDP (Thesis) (see Figure-4-1-1).

EXAMPLES of the countries, namely Sudan, Iran Islam Republic of, Turkey, Egypt, Tunisia, Lebanon, and Korea Republic of, Thailand, Jordan, Pakistan, Yemen and Algeria: In this session most of the countries contributes to the first country-group and also most of them have considerable increase in field of the labour productivity (LabProductiv). But their government debt in GDP (GovDebtinGDP) annual averagely for period of 2006-2015 is quite considerable from 24% in Yemen to 111% in Lebanon. Also countries with large population, for example Pakistan has 79% government debt in GDP, Egypt has this one in 85,8% of GDP. Therefore countries of this country group have less increasing trend in field of FDIoutflow15, for example Turkey has had increasing trend by 34,9% in 2015 since 2005, Tunisia has had 17,5%, Algeria has had 8,4% and finally Yemen has had increasing trend 6,6% since 2005 (2005=100). This trend is at very low level comparably to the basic year of 2005. The other countries of this group have had decreasing trends in the field of the FDIoutflow15, for example decreasing trend is 47,7% in Pakistan, 8,5% in Egypt and 4,7% in Thailand (see Figure-4-1-1 and Table-4-1-1).

In this session most of the countries have unfavourable economic conditions, therefore their economic background cannot be successful and satisfactory to increase the FDIinflow15, which can be seen from the statistical basic data. The FDIinflow15 decreased by 30,3% in Algeria, 29,5% in Lebanon and Yemen, also 3,6% in Jordan. The other countries have very little increasing trends in field of FDIinflow15, for example increasing trend only 6,5% in Turkey, 6,1% in Pakistan, 3,6% in Thailand, and 2,8% in Egypt and Tunisia. Because of the considerable government debt in GDP and low level of the FDIinflow15, the GDPgrowth015 was also at low level, only Egypt, Lebanon and Jordan have reached the higher level of 4% in 2015, the other one have less this level. The GDPperEmploy has satisfactory been highly namely 22,5% in Thailand, 17,3% in Tunisia and 16,7% in Egypt in 2015 since 2006. This one decreased by 20% in Yemen and 9,8% in Jordan.

The increase of labour productivity in these countries of this first country-group was satisfactory, but because of the considerable share of government budget (GovDebtinGDP) has increased strongly annually averagely for the period of 2006 and 2015, the FDIinflow15 decreased and in consequence of its decrease also the GDPperEmploy and GDPgrowth015

have decreased for the same period. The backwardness of these countries can be expected for the near future (see Figure-4-1-1 and Table-4-1-1).

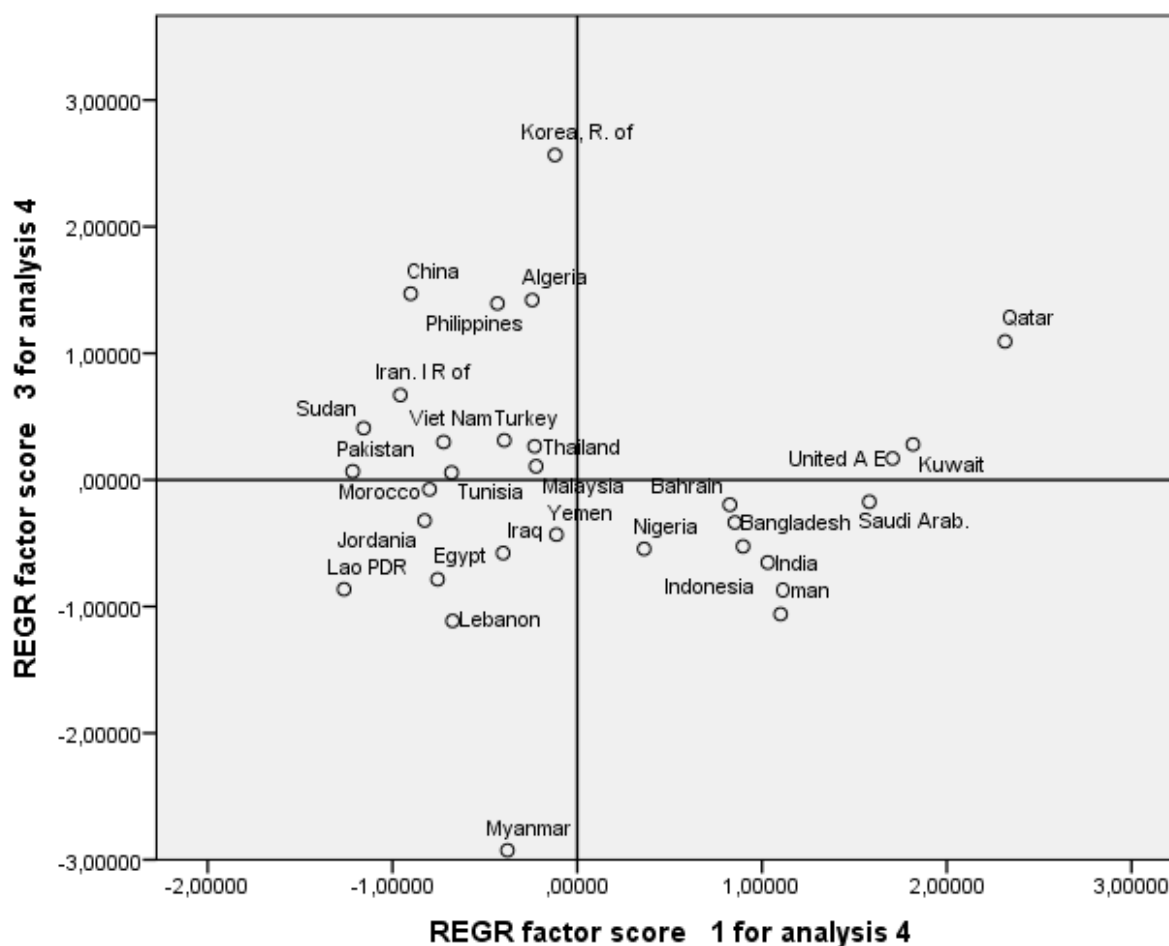


Figure-4-1-2: Analysis for Factor score 1 and 3

FIRST Component

LabProductiv-1	Average Labour Productivity in 2006-2016 in Dollar (2011)
GovDebtinGDP- 2	Average Central government debt, total in % of GDP 2006-2015
BalaPayInGDP- 3	Average of Balance of Payment in GDP, 2005-2015

THIRD Component

ConsumPr0611 -8	Average of consumer price in 2006-2011 in %
TaxRevenue -9	Average Tax revenue in % of GDP 2006-2016

In the *Figure-4-1-2*, the factor analysis shows the correlations among different 30 selected Asian and African countries based on the REGR factor score 1 and REGR factor score 3. The first component, as was written includes the variances, namely *LabProductiv*, *GovDebtinGDP* and *BalaPayinGDP* on the principle “X” line and the third component

includes other two variances, namely *ConsumPr0611* and *TaxRevenue* on the principle “Y” line. In the selected countries on principle “X” line on the right side, over line “X”, until “Origo” those countries, where the *LabProductiv* and *BalaPayinGDP* mostly increase, while the *GovDebtinGDP* decreases, on the principle “Y” line until over “Origo” the *ConsumPr0611* decreases or mostly the consumer price level increases little and the *TaxRevenue* increases.

EXAMPLES of the countries, namely Qatar, Kuwait and United Arab Emirates: In this session Qatar has reached the increasing level of 8% in field of *ConsumPr0611*, as average consumer price increase for the period of 2006-2011, while the *TaxRevenue* reached considerable increase by 18,23%. Therefore this last data takes Qatar into this session. Also Kuwait has little increase in the *ConsumPr0611*, namely by 5,35% with 1,2% in field of *TaxRevenue*, United Arab Emirates has 10,9% increasing trend in field of *ConsumPr0611* with 0,35% in field of *TaxRevenue*. This means that these three countries reached little increase in *TaxRevenue*, but Qatar has more than the other two, and also they had little increasing trend in *ConsumPr0611* and because of the little increase trend was in their cases, therefore these countries are in session over the line “X”. Also the positions of the countries in the score system are determined by their data base concerning the three variances of the first component (see Figure-4-1-2, Table-4-1-1 and Table-4-1-8: Rotated Component Matrix).

In the countries *after the “Origo” on the line “X”, on the left side and above this ones*, *LabProductiv* and *BalaPayinGDP* mostly decrease, the *GovDebtinGDP* increases, while also the *ConsumPr0611* decreases and the *TaxRevenue* increases.

EXAMPLES of the countries, as China, Korea Republic of, Algeria, Philippines, Iran Islam Republic of, Sudan, Vietnam, Pakistan, Turkey, Thailand, Tunisia and Malaysia: In this session some countries can be here, because the *ConsumPr0611* can decrease or increase but by little measure. Here the important example is case of Korea, Republic of, because it has less increase *ConsumPr0611*, but this country has considerable increase by 14,52% in *TaxRevenue*. China has also less increase trend in field of *ConsumPr0611* and more increase in field of *TaxRevenue*, therefore this country is here, because of the low level increase of its *ConsumPr0611*, but highly increase of *TaxRevenue*. In general the tax revenues did not increase considerably comparably to one of the other countries. Also Algeria reached the second biggest *TaxRevenue* increase by 38,36%, but less little increase by 3,6% in

ConsumPr0611, therefore this country with Korea Republic of in this session. The large considerable measure shows how the governments of the countries want to realise the direct economic intervention into the economies and the national performances of these countries, in spite that countries are set up free market oriented economic strategy.

In general, it can be declared that the increase of the Tax revenues can be higher than the increasing trend of the ConsumPr0611 in the period of 2006 and 2011. The TaxRevenue increased considerably in cases of Vietnam by 21,2%, Turkey by 20,2%, Tunisia by 20,1%, Thailand by 15,7%, Malaysia by 14,7%, Philippines by 13%, Pakistan by 9,8%, Sudan 9,5% and Iran by 6,68%. Naturally those countries, which have no so considerable increase in the TaxRevenue, for example in case of Iran, but this country has important increase in ConsumPr0611 by 15,3%, which is the second biggest increase after 17,9% in Iraq. Iran is in this session with Vietnam, because the balance of payment in GDP, as variance of first component increased little (see Figure-4-1-1). In spite that Iran has considerable increase in ConsumPr0611, this country can be expected under line “X” to the left side from “Origo”, but it has less increase in balance of payment in GDP.

For example India has the top, as first tax revenue increase by 86,8% in this period, but the ConsumPr0611 also increased, therefore India in session under line “X” to right side from the “Origo”.

If the countries can be seen *under the line “X”, in right side from “Origo”*, mostly LabProductiv and BalaPayinGDP increase, and the GovDebtinGDP decreases, but on the line “Y” the ConsumPr0611 increases and the TaxRevenue decreases in Figure-4-1-1. But in Figure-4-1-2 the ConsumPr0611 increases or in some cases decreases little, and the TaxRevenue decreases.

EXAMPLES of the countries, namely Bahrain, Saudi Arabia, Bangladesh, Nigeria, India, Indonesia and Oman: The ConsumPr0611 increased by 9,6% in India, by 9,4% in Nigeria, by 7,9% in Indonesia, by 7,7% in Bangladesh, by 5,4% in Oman, by 5,3% in Saudi Arabia, and by 2,74% in Bahrain. In general the TaxRevenue can be declared that it has decreasing trends in the international compare, when the other countries of the selected 30 countries have more considerable increase in the tax revenue. Because TaxRevenue increase was little as 1,18% in Bahrein, 2,55% in Oman, 3% in Nigeria, 7,95% in Bangladesh, 11,4% in Indonesia, and

12,2% in Saudi Arabia. In general the data base concerning these two variances of the third component is closed to each other, not to big differences among data of two variances. The TaxRevenue did not increase so considerable and the ConsumPr0611 did not increase so much. Generally in those countries, where the consumption price increased, the tax revenues were decreased by the national governments. In case of Indonesia, where the tax revenue increase was higher, the consumption price level increased less than the first one. Also it is the same in Saudi Arabia; tax revenue increase was higher than the consumption price level increase. It was opposite to Nigeria, where the consumption price level was higher than the tax revenue in the same period. This means that the national governments want to remain the purchase power parity of the population.

As it was mentioned before the TaxRevenue was the first biggest by 86,8% in India, therefore the variances of the first component determine position of India in score system (Figure-4-1-2).

On the line "X", under this ones, after "Origo" to the left side, in spite that in several countries the LabProductiv and BalaPayinGDP mostly decrease and the GovDebtinGDP increases. Also on the line "Y" the ConsumPr0611 increases and the TaxRevenue decreases (see Figure-4-1-2).

EXAMPLES of the countries, namely Morocco, Yemen, Iraq, Jordan, Egypt, Laos PDR, Lebanon and Myanmar: The fourth session of the score system is under the line "X" to the left side from the "Origo". In this country group of this session ConsumPr0611 increase is by 3,1% in Morocco, by 4,3% in Lao PDR, by 7,2% in Jordan, by 7,9% in Lebanon, by 11,7% in Yemen, 11,95% in Egypt, by 17,9% in Iraq, and by 18,9% in Myanmar. In this session the TaxRevenue increase is by 23,57% in Morocco, by 13,9% in Lao PDR, by 17,67% in Jordan, by 15,7% in Lebanon, by 11,0% in Yemen, 14,14% in Egypt, by 0,91% in Iraq, and by 3,12% in Myanmar.

Generally also the similar conditions can be experienced as in the earlier country-group were, namely in those countries, where the ConsumPr0611 increased the TaxRevenue decreased, for example in case of Myanmar (Burma) the first was as 18,9%, while the TaxRevenue increased by 3,12% in the same period. Therefore there is a contradiction process in these countries concerning these two variances of the third component. This country group of this session of the score has an unfavourable economic conditions concerning the increasing trend

of the GovDebtinGDP and decreasing the positive balance of payment in GDP or increasing the negative balance of payment in GDP.

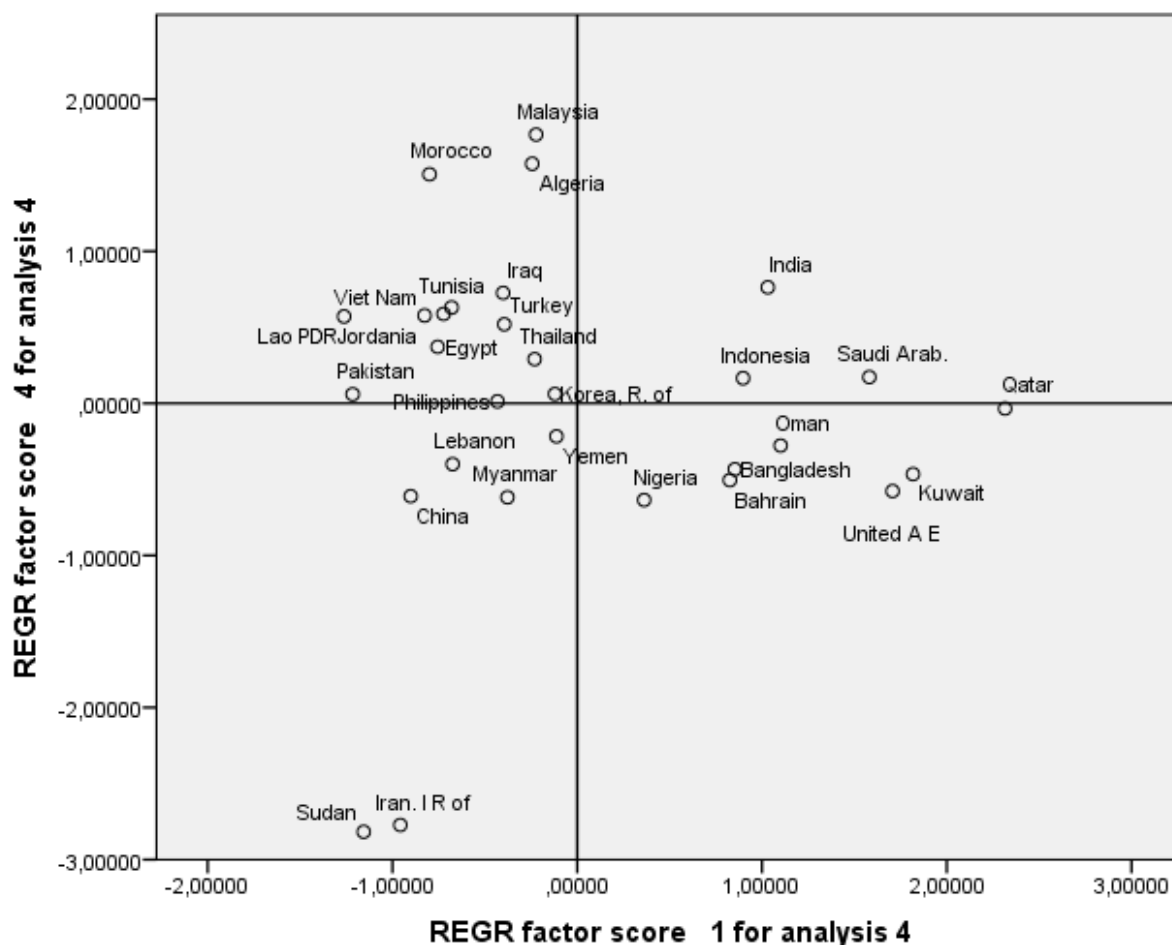


Figure-4-1-3: Analysis for Factor score 1 and 4

FIRST Component

LabProductiv-1

Average Labour Productivity in 2006-2016 in Dollar (2011)

GovDebtinGDP- 2

Average Central government debt, total in % of GDP 2006-2015

BalaPayInGDP- 3

Average of Balance of Payment in GDP, 2005-2015

FOURTH Component

BalanPayment- 10

Balance of Payment 2006-2015, and 2006= 100

Source:

ILOSTAT, 2016,

http://www.ilo.org/ilostat/faces/oracle/webcenter/portalapp/pagehierarchy/Page3.jsp?MBI_ID=49

World Development Indicators, GC.DOD.TOTL.GD.ZS, 2016

UNCTAD Handbook of Statistics, 2016, New York, Geneva , p. 264, Million US dollar, in percent, 2005 = 100, 2015/2005

For example GovDebtinGDP increased by 111% in Lebanon, by 106% in Lao PDR, by 85,8% in Egypt, by 50,9% in Morocco in average in GDP in period of 2006-2015. Also the BalaPayinGDP decrease was by 15% in Lebanon, by 13,5% in Jordan, by 3,5% in Morocco, by 1,8 in Yemen and Egypt, and by 4,6% in Iraq. Therefore because of these negative economic conditions and trends these countries are in this session. Mostly all of the economic conditions of these countries concerning this session have negative trends in field variances of first and third components. Countries are mostly crude oil exporting in the earlier session (under line “X” to the right side) have better economic conditions concerning the first component.

In the *Figure-4-1-3*, the factor analysis shows the correlations among different 30 selected Asian and African countries based on the REGR factor score 1 and REGR factor score 4. The first component, as was written before, above mentioned, includes the variances, namely *LabProductiv*, *GovDebtinGDP* and *BalaPayinGDP* on the principle “X” line and the fourth component includes other one variance, namely *BalanPayment* on the principle “Y” line.

In the selected countries *above principle “X” line on the right side until “Origo”*, where the LabProductiv and BalaPayinGDP mostly increase, while the GovDebtinGDP decreases. On the *principle “Y” line, until “Origo”* the variance of the fourth component, namely *BalanPayment* increases.

EXAMPLES of the countries, namely, India, Saudi Arabia and Indonesia: The fourth component including one variance, namely balance of payment – BalanPayment between 2006-2015 and 2006=100, – can be described in the *Figure-4-1-3*, based on the statistical data base in *Table -4-1-1*.

In spite that generally those countries are in session of score, *on the line “X”, above this one and to the right side from “Origo”*, the Balance of Payment is increasing and under the line “X” BalanPayment is decreasing the first component including three variances first determine the positions of countries of this 30 country-group into the sessions of the score system. Therefore in spite that the BalanPayment of Saudi Arabia has decreased by 26,8% since 2006 (2006= 100), by 11,8% in India and by 6,1% in Indonesia, these countries remain above line “X” and not under one. In ceases of these countries the most important variances of the first component determine their positions, for example their LabProduktiv is considerably positive remark, also the BalaPaInGDP, even in India and in Indonesia it is about minus 1,1% but this

one is not considerable. For example Saudi Arabia has a successful economic life and national performance, because in spite that its BalanPayment has decreased by 26,8% since 2006 for one decade, its BalaPayInGDP has consequently increased by 12,5% annually for the period of 2005-2015. For example in case of Indonesia in spite that this country's BalanPayment has decreased by 6,1% since 2006 (2006 = 100) this country could keep the BalaPayInGDP at very low level of 1,1% annually averagely.

In the countries *after the "Origo" on the line "X" and above this ones, to the left side*, LabProductiv and BalaPayinGDP mostly decrease, the GovDebtinGDP increases, while on the *principle "Y" line, until and above "Origo"*, the **BalanPayment** also increases.

EXAMPLES of the countries, namely Malaysia, Morocco, Algeria, Iraq, Tunisia, Turkey, Vietnam, Laos PRD, Jordan, Egypt, Thailand, Pakistan, Philippines and Korea Republic of: In case of the *Malaysia* the BalanPayment has decreased by not so considerable rate as 5,5% since 2006, but its GovDebtinGDP was 46,94% mostly half of the all GDP at national economic level, this means that this has increasing trend, therefore Malaysia is to left side from "Origo" above line "X".

THESIS: If any country has decreased the positive balance of payment, this can make influence on the creating a considerable increasing share of the government debt in GDP.

Algeria has a considerable decrease by 27,2% for BalanPayment since 2006, and also the share of the government debt in GDP is considerable by 68,92%. Also *Morocco* has similar position in fields of these two variances. *Morocco* has had a considerable decrease by 28,5% for BalanPayment since 2006, and the share of the its government debt in GDP is considerable by 50,9%. *Lao People's Democratic Republic* has had a considerable decrease by 9,2% for BalanPayment since 2006, and also the share of the government debt in GDP is considerable by 106% accompanying with low level of the labour productivity (LabProductiv).

Also it is proofed in case of *Egypt*, for example *Egypt* has decreased the balance of payment (BalanPayment) by 37,2% since 2006, while the GovDebtinGDP became at level of 85,8% in the same period. *Pakistan* decreased the BalaPayment by 4,4%, while the its GovDebtinGDP became 79,1%. *Jordan* decreased the BalaPayment by 4,6%, while the its GovDebtinGDP became 64,35%. *Tunisia* decreased the BalaPayment by 8,4%, while the its GovDebtinGDP

became 44,36%. Turkey decreased the BalaPayment by 5,3%, while the its GovDebtinGDP became 44,35% in the same period.

THESIS: If any country increases the positive balance of payment, this can affect the creating a considerable decreasing share of the government debt in GDP.

Vietnam has a little better performance by 6,2% increase of the BalanPayment, while this country could keep the 35% level of the GovDebtinGDP, but this country also kept the low level of the negative balance of payment in GDP by 0,25% averagely and annually. Vietnam has had a serious difficulty, namely the low level of increase for the LabProductiv averagely for the period of 2006 and 2016.

Thailand increased the BalaPayment by 8,1%, while the its GovDebtinGDP became less as 26,62% in the same period. Korea Republic (South Korea) increased the BalaPayment by 73,7%, while the its GovDebtinGDP became less as 36,3% in the same period.

THESIS: If any country even decreases the positive balance of payment, while increased the labour productivity, these affect influence on creating a considerable decreasing share of the government debt in GDP.

Iraq decreased the BalaPayment by 9,61%, while the its GovDebtinGDP became less as 4,2% by 62,6% increasing the labour productivity in the same period.

THESIS: If any country even increases the positive balance of payment, while the labour productivity remain at very low level, these affect creating a considerable increasing share of the government debt in GDP.

For example Philippines decreased the BalaPayment by 32,2%, while the its GovDebtinGDP remains at level of 52,7%, because the labour productivity increased only by 14,9% in the same period.

THESIS: There is a contradiction correlation, if the positive balance of payment decreases; this leads to create a considerable increasing governmental debt in GDP, but if the positive balance of payment increases; this leads to create a considerable decreasing governmental debt in GDP. In this case the positive balance of payment is calculated. Also if the positive balance of payment decreases; but the labour productivity considerably increases this leads to create a considerable decreasing governmental debt in GDP.

This means that the labour productivity can strengthen the trade exchange for the companies, which for the longer time can stimulate the future positive balance of payment by increasing tax payment from the companies' surplus profit income, personal income from employed people' salaries and from the value added taxes paid after the increasing consumption or based on the increasing the consumer price level.

On the line "X", under this ones, before "Origo" to right side, in several countries the LabProductiv and BalaPayinGDP mostly increase and the GovDebtinGDP decreases, while on the line "Y" until "Origo" the variance of the fourth component, namely **BalanPayment** decreases (see Figure-4-1-3).

EXAMPLES of the countries, namely Oman, Bangladesh, Nigeria, Bahrain, Kuwait and United Arab Emirates: In spite that *Oman* has decreased its balance of payment by 30,9%, this country could remain its 5,4%, as GovDebtinGDP, because of the increasing trend for the labour productivity was about 98% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 5,4% and the TaxRevenue increased at very little level, as by 2,55%. *Kuwait* has more favourable position than *Oman's* one was, because *Kuwait* has decreased its balance of payment only by 7,1%, this country could remain its 4,8%, as GovDebtinGDP, because of the increasing trend for the labour productivity was about 157,5% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 5,35% and the TaxRevenue increased at very little level, as by 1,2%. Also *Kuwait* decreased the GDPperEmploy by 23,8%, while the *Oman* decreased by 32,2% in the same period. This declining trend was resulted by increasing the import for the supplying demands of the domestic consumption and not by domestic industrial production and manufacturing industrial branches. The export oriented policy of these two Arab countries was based on the crude oil mining sector.

Nigeria has decreased its balance of payment by 21,8%, this country could remain its 11,43%, as GovDebtinGDP, in spite that the labour productivity was about 17,7% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 9,4% and the TaxRevenue increased at very little level, as by 3,0%. But *Nigeria* increased the GDPperEmploy by 33,9% based on the diversified economic development strategy opposite to strategy of *Oman* and *Kuwait*.

Bahrain has decreased its balance of payment only by 3,7%, this country realised its 22,98% as GovDebtinGDP, because of the increasing trend for the labour productivity was about 78,75% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 2,74% and the TaxRevenue increased at very little level, as by 1,18%. Also Bahrain decreased the GDPperEmploy by 16%, while the Oman decreased by 32,2% in the same period. In Bahrain also the declining trend was resulted by increasing the import for the supplying demands of the domestic consumption and not by domestic industrial production. The LabProductiv of Bahrain was not successful as this was in Oman and Kuwait, therefore the GovDebtinGDP was higher than in other two Arab countries.

United Arab Emirates has decreased its balance of payment only by 1,5%, this country realised its 1,9% as GovDebtinGDP, because of the increasing trend for the labour productivity was about 101,5% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 10,9% and the TaxRevenue increased at very little level, as by 0,35%. Also United Arab Emirates decreased the GDPperEmploy by 39,4%, while Oman decreased by 32,2% in the same period. In United Arab Emirates also the declining trend was resulted by increasing the import for the supplying demands of the domestic consumption and not by domestic industrial production. The LabProductiv of United Arab Emirates was successful as this was closed to one of Oman and not so far from one of Kuwait, therefore the GovDebtinGDP was at very low level, lower than in other two Arab countries.

Qatar has increased its balance of payment by 8,4%, therefore this country realised its 2% as GovDebtinGDP, because of the increasing trend for the labour productivity was about 185,75% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 8,0% and the TaxRevenue increased at very highly level, as by 18,23%. Also Qatar increased the GDPperEmploy by 7,3%, while Oman decreased by 32,2% in the same period. In Qatar this increasing trend was mostly accompanying with increasing import for the supplying demands of the domestic consumption with some domestic industrial production. The LabProductiv of Qatar was successful as this was higher than one of Kuwait, Saudi Arabia and United Arab Emirates. Therefore in Qatar the GovDebtinGDP was at very low level, similarly to one of Saudi Arabia and United Arab Emirates and lower than in other Arab countries.

Bangladesh has increased its balance of payment only by 2,7%, this country realised its 31,2% as GovDebtinGDP, because of the increasing trend for the labour productivity was

very low about 6,3% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 7,7% and the TaxRevenue increased at very similar level, as by 7,95%. Also Bangladesh increased the GDPperEmploy by 44,5%, while Oman decreased by 32,2% in the same period. In Bangladesh also the increasing trend was resulted by increasing the export or decreasing import for the supplying demands of the domestic consumption and not by mostly imported industrial products. The LabProductiv of Bangladesh was not successful therefore the GovDebtinGDP was at moderate low level, and higher than in other crude oil exporting Arab countries and Nigeria (see Table-4-3-1).

On the line “X”, under this one, after “Origo” to left side, in several countries the LabProductiv and BalaPayinGDP mostly decrease and the GovDebtinGDP increases, while on the line “Y” from “Origo” the variance of the fourth component, namely **BalanPayment** decreases (see Figure-4-1-3).

EXAMPLES of the countries, namely Lebanon, Yemen, Myanmar, China, Sudan and Iran Islam Republic of: Myanmar has the worst decreasing trend for the BalanPayment within the 30 selected countries’ group, because this variance has decreased by 89,3% since 2006 (2006= 100) until 2015.

THESIS: If any country has even decreased the balance of payment, while the labour productivity remain at very low level, and also the GDP per employed increases, therefore all of these three elements can make influence on the creating a considerable small share of the government debt in GDP, because the GDP per employed shows considerable investment in direction to creating jobs, to extend the domestic market with increasing the Consumption price level. This means that either the increasing developed level of labour productivity or the increasing investment by increasing the GDP per employed, which can realise the lower level of the government debt in GDP in any country.

Myanmar has decreased its balance of payment considerably by 89,3%, this country realised its 11,6% as GovDebtinGDP, in spite that the decreasing trend for the labour productivity was very low about 3,3% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 18,9% and the TaxRevenue increased at very similar level, as by 3,12%. Also Myanmar increased the GDPperEmploy by 64,1%, while Oman decreased by 32,2% in the same period. In Myanmar also the increasing trend of the GDP per employed was resulted by the economic strategy to decrease import for the supplying demands of the

domestic consumption and not by mostly imported products. The LabProductiv of Myanmar was not successful and also the GovDebtinGDP was at moderate low level, and higher than in other crude oil exporting Arab countries and Nigeria (see Table-4-1-1).

Lebanon has decreased its balance of payment considerably by 19,6%, this country realised its 111% as GovDebtinGDP, in spite that the somehow increasing trend for the labour productivity was at low about 43,3% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 7,8% and the TaxRevenue increased at very similar level, as by 15,7%. Also Lebanon increased the GDPperEmploy by 7,6%, while Bangladesh increased by 44,5% in the same period. In Lebanon also the increasing trend of the GDP per employed was resulted by the economic strategy to decrease import for the supplying demands of the domestic consumption. The LabProductiv of Lebanon was not adequate for the future development, while also the GovDebtinGDP was at very highly level, and higher than in other crude oil exporting Arab countries and India and Nigeria (see Table-4-1-1).

Yemen has decreased its balance of payment considerably by 24,4%, this country realised its 24,0% as GovDebtinGDP, in spite that the decreasing trend for the labour productivity was at very low level about 16,1% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 11,7% and the TaxRevenue increased at very similar level, as by 3,12%. Also Yemen decreased the GDPperEmploy by 20%, while Oman decreased by 32,2% in the same period. In Yemen also the increasing trend of the GDP per employed was resulted by the economic strategy to decrease import, but the decrease of the GDP per employed did not ensure for the supplying demands of the domestic consumption from the domestic production and only mostly by imported products. The LabProductiv of Lebanon was not successful and also in spite that the GovDebtinGDP was at moderate low level, but higher than in other crude oil exporting Arab countries and Nigeria (see Table-4-3-1).

China has increased its balance of payment considerably by 14,9%, this country realised its 11,5% as GovDebtinGDP, in spite that the decreasing trend for the labour productivity was very low about 11,5% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 2,94% and the TaxRevenue increased at very similar level, as by 9,9%. Also China increased the GDPperEmploy at very highly level, by 109,3%, while India decreased by 66,7% in the same period. In China also the increasing trend of the GDP

per employed was resulted by the economic strategy to decrease import for the supplying demands of the domestic consumption and not by mostly imported products based on the export oriented strategy. The LabProductiv of China was successful and also the GovDebtinGDP was at moderate low level, and higher than in some other crude oil exporting Arab countries and closed to one of Nigeria (see Table-4-1-1).

Iran I R of has decreased its balance of payment considerably by 5,8%, this country realised its 3,8% as GovDebtinGDP, in spite that the increasing trend for the labour productivity was at good level about 53,8% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased only by 15,3% and the TaxRevenue increased at very similar level, as by 6,7%. Also Iran increased the GDPperEmploy by 12,9%, while Oman decreased by 32,2% in the same period. In Iran also the increasing trend of the GDP per employed was resulted by the economic strategy to decrease import with less imported products. The LabProductiv of Iran was middle successful and also the GovDebtinGDP was at moderate low level, and mostly closed to one other crude oil exporting Arab countries and less than one of Nigeria (see Table-4-1-1).

Sudan has decreased its balance of payment at very low level by 0,2%, this country realised its 36,2% as GovDebtinGDP, in spite that the decreasing trend for the labour productivity was low about 16,2% for the period of 2006-2016 averagely and annually, while the ConsumPr0611 increased at very highly level by 106,9% and the TaxRevenue increased at very similar level, as by 9,5%. Also Sudan decreased the GDPperEmploy by 7,0%, while Oman decreased by 32,2% in the same period. In Sudan also the decreasing trend of the GDP per employed was resulted by not successful economic strategy, which led to increase import for the supplying demands of the domestic consumption mostly by imported products. The LabProductiv of Sudan was not successful and also the GovDebtinGDP was at moderate middle level, and higher than in other crude oil exporting Arab countries, Indonesia, Bangladesh and Nigeria (see Table-4-1-1).

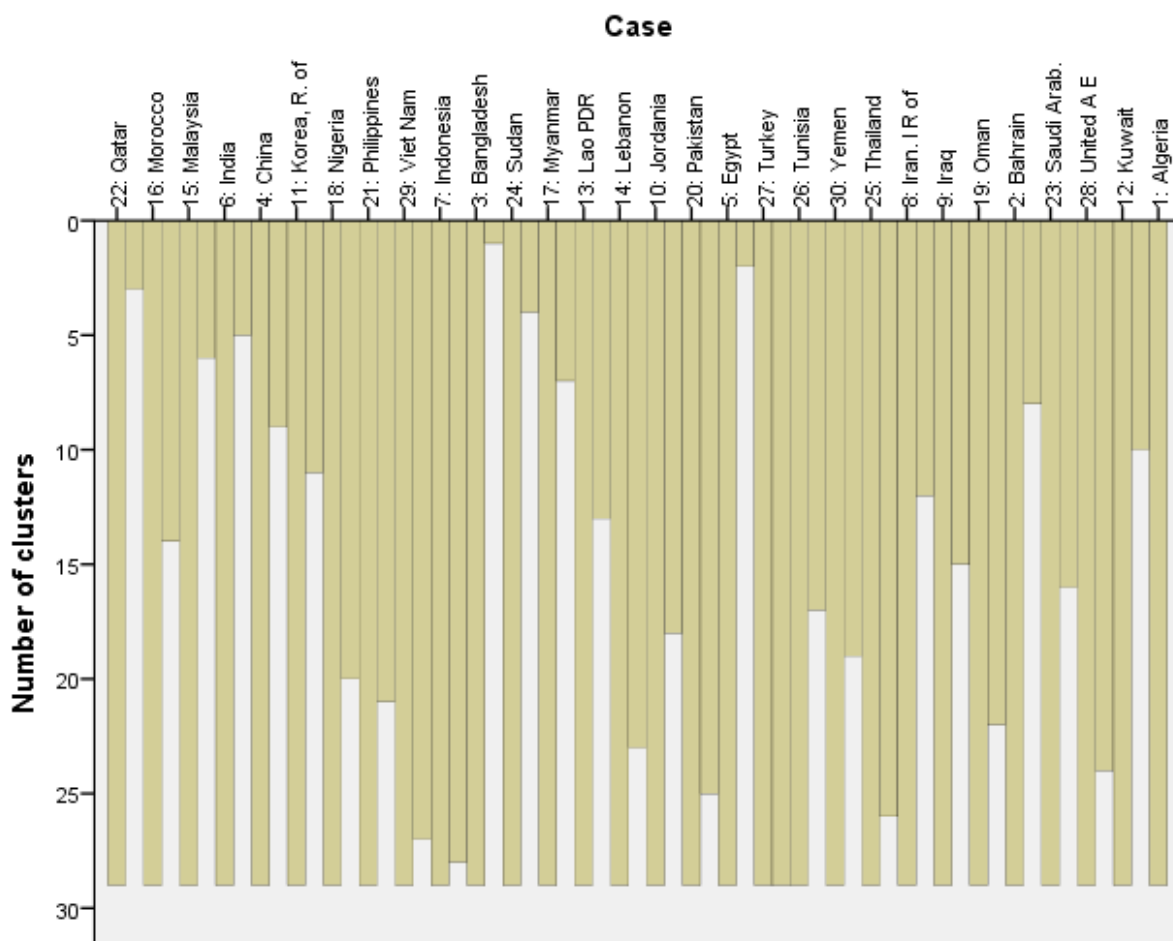


Figure-4-1-4: Number of cluster for 30 selected Asian and African countries

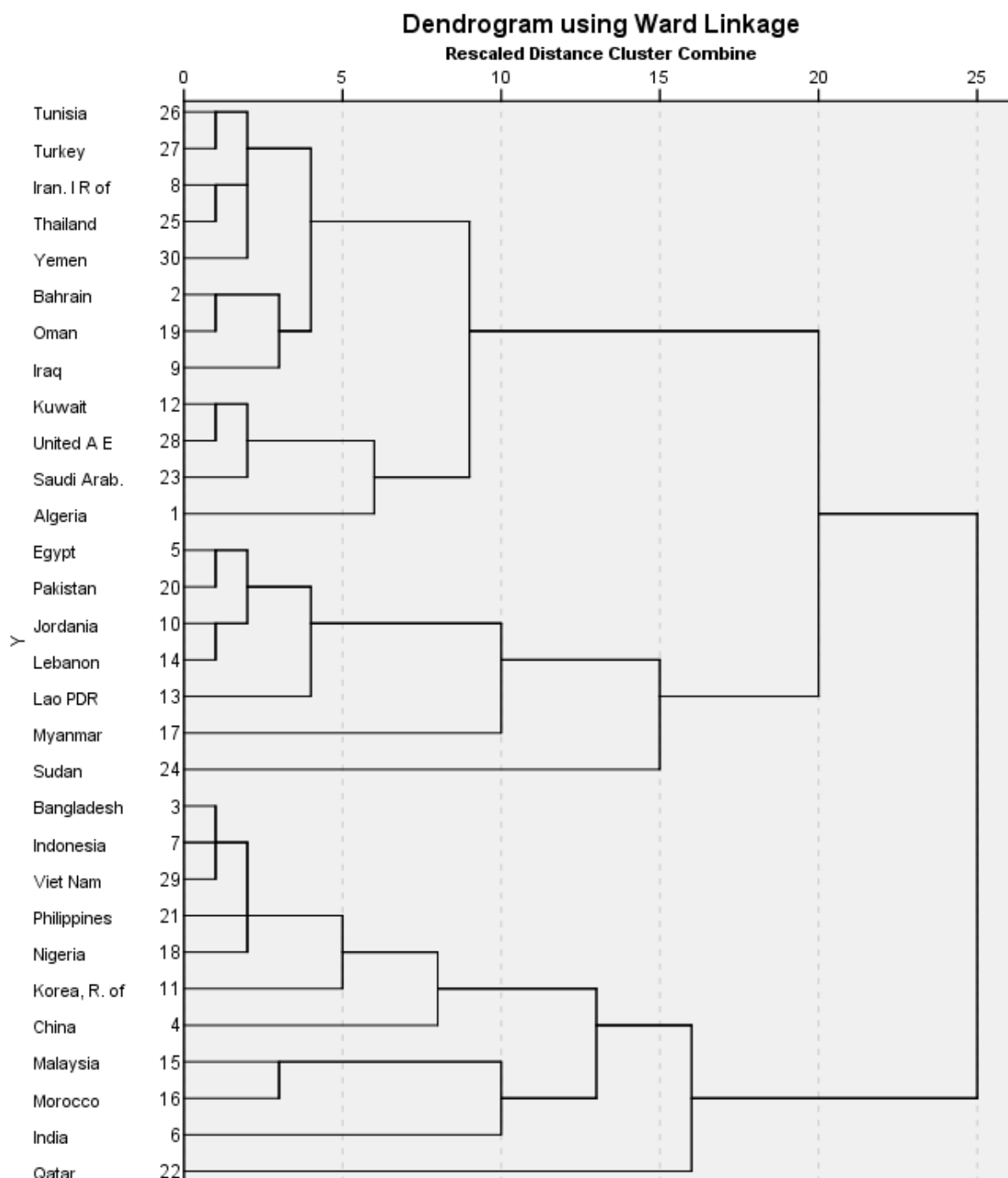


Figure-4-1-5: Dendrogram for 30 selected Asian and African countries

Source:

ILOSTAT, 2016,

http://www.ilo.org/ilostat/faces/oracle/webcenter/portalapp/pagehierarchy/Page3.jsp?MBI_ID=49

World Development Indicators, GC.DOD.TOTL.GD.ZS, 2016

UNCTAD Handbook of Statistics, 2016, New York, Geneva , p. 264, Million US dollar, in percent, 2005 = 100, 2015/2005

5 Country-groups:

- .1- Tunisia, Turkey, Thailand, Jordan, Lebanon, Yemen, Egypt, Pakistan, Algeria
- .2- Kuwait, United Arab Emirates, Bahrain, Oman
- .3- Bangladesh, Indonesia, Saudi Arabia, Nigeria, India, Myanmar, Qatar
- .4- Iraq, Vietnam, Lao People's Democratic Republic, Malaysia, Morocco, Korea Republic (South Korea), Philippines, China
- .5- Iran I R of, Sudan

Based on the statistical analysis, and cluster analysis, the 30 selected Asian and African countries are clustered into five clusters, where the most important direction for the classification is the labour productivity, but the other variances have considerable role in this one. Also it is important that the countries of each country-group should similar to themselves or the difference cannot be so high among themselves within each country-group (see Figure-4-1-3 and Figure-4-1-4 and Table-4-1-1 and Table-4-1-11). Naturally the each variance of the ten variances can be different for selected countries, therefore the countries are classified by the variances. In the first country group the labour productivity is moderately increasing and in the second country group the Arab crude oil exporting countries have considerable increase for their labour productivity. The other clusters have so mixed economies from the 30 selected countries based on the different variances.

The Table-4-1-10 and Table-4-1-12: Case Processing Summary show that the 10 variances are adequate for the 30 selected countries based on the Ward Method. Also the Table-4-1-13: Case Summaries (table and continued table) shows that the 30 selected countries are classified into main five clusters based on the variances and the first cluster includes 9 countries, the second cluster includes 4 countries, the third cluster includes 7 countries, the fourth cluster includes 8 countries and the last one the fifth cluster includes 2 countries. The names of the countries are written in the Table-4-1-1. The Table-4-1-13 shows the *median*, as middle value, *minimum* and *maximum* values, *Std Deviation* as distance between the minimum and maximum values for the countries of each cluster, the *mean* as the average values of the countries for each cluster. These values are different in field of each variance.

Table-4-1-10: Correlations

		Consum Pr0611	LabPr oductiv	GovDeb tinGDP	TaxRe venue	GDPper Employ	GDPgro wth015	BalanP ayment	BalaPa ylnGDP	FDInfl ow15	FDIout flow15
Consum Pr0611	Pears on Corre lation Sig. (2- tailed) N	1 30	-,135 30	-,046 30	-,089 30	-,152 30	-,059 30	-,050 30	-,190 30	-,083 30	-,181 30
LabProd uctiv	Pears on Corre lation Sig. (2- tailed) N	-,135 30	1 30	-,448* 30	-,206 30	-,525** 30	,114 30	-,047 30	,542** 30	-,166 30	,237 30
GovDeb tinGDP	Pears on Corre lation Sig. (2- tailed) N	-,046 30	-,448* 30	1 30	,356 30	,120 30	-,092 30	-,010 30	-,542** 30	,079 30	-,375* 30
TaxRev enue	Pears on Corre lation Sig. (2- tailed) N	-,089 30	-,206 30	,356 30	1 30	,324 30	,145 30	,024 30	-,073 30	,171 30	,051 30
GDPper Employ	Pears on Corre lation Sig. (2- tailed) N	-,152 30	-,525** 30	,120 30	,324 30	1 30	,596** 30	,023 30	-,156 30	,307 30	,376* 30
GDPgro wth015	Pears on Corre lation Sig. (2- tailed) N	-,059 30	,114 30	-,092 30	,145 30	,596** 30	1 30	-,021 30	-,042 30	,179 30	,595** 30

Table-4-1-10: Correlations (Continued)

BalanPa yment	Pears on Corre lation Sig. (2- tailed)	-,050	-,047	-,010	,024	,023	-,021	1	,108	,020	,207
		,794	,807	,959	,901	,905	,911		,571	,917	,272
	N	30	30	30	30	30	30	30	30	30	30
BalaPay InGDP	Pears on Corre lation Sig. (2- tailed)	-,190	,542**	-,542**	-,073	-,156	-,042	,108	1	-,036	,263
		,315	,002	,002	,703	,412	,827	,571		,851	,161
	N	30	30	30	30	30	30	30	30	30	30
FDInflo w15	Pears on Corre lation Sig. (2- tailed)	-,083	-,166	,079	,171	,307	,179	,020	-,036	1	,143
		,661	,381	,677	,366	,098	,344	,917	,851		,451
	N	30	30	30	30	30	30	30	30	30	30
FDIoutfl ow15	Pears on Corre lation Sig. (2- tailed)	-,181	,237	-,375*	,051	,376*	,595**	,207	,263	,143	1
		,338	,207	,041	,787	,041	,001	,272	,161	,451	
	N	30	30	30	30	30	30	30	30	30	30

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

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

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-11: Case Processing Summary^a

Cases					
Valid		Missing		Total	
N	Percent	N	Percent	N	Percent
30	100,0%	0	0,0%	30	100,0%

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-12: Agglomeration Schedule

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
1	26	27	,411	0	0	13
2	3	7	,900	0	0	3
3	3	29	1,976	2	0	9
4	8	25	3,131	0	0	11
5	5	20	4,776	0	0	12
6	12	28	6,429	0	0	14
7	10	14	8,158	0	0	12
8	2	19	9,917	0	0	15
9	3	21	12,232	3	0	10
10	3	18	15,019	9	0	19
11	8	30	17,927	4	0	13
12	5	10	21,415	5	7	17
13	8	26	24,932	11	1	18
14	12	23	28,878	6	0	20
15	2	9	33,004	8	0	18
16	15	16	38,018	0	0	24
17	5	13	44,050	12	0	23
18	2	8	50,436	15	13	22
19	3	11	58,337	10	0	21
20	1	12	68,710	0	14	22
21	3	4	81,610	19	0	25
22	1	2	97,691	20	18	28
23	5	17	114,995	17	0	26
24	6	15	133,062	0	16	25
25	3	6	155,222	21	24	27
26	5	24	181,819	23	0	28
27	3	22	209,563	25	0	29
28	1	5	245,306	22	26	29
29	1	3	290,000	28	27	0

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-13: Cluster Membership

Case	5 Clusters	4 Clusters	3 Clusters	2 Clusters
1:Algeria	1	1	1	1
2:Bahrain	1	1	1	1
3:Bangladesh	2	2	2	2
4:China	2	2	2	2
5:Egypt	3	3	3	1
6:India	2	2	2	2
7:Indonesia	2	2	2	2
8:Iran. I R of	1	1	1	1
9:Iraq	1	1	1	1
10:Jordania	3	3	3	1
11:Korea, R. of	2	2	2	2
12:Kuwait	1	1	1	1
13:Lao PDR	3	3	3	1
14:Lebanon	3	3	3	1
15:Malaysia	2	2	2	2
16:Morocco	2	2	2	2
17:Myanmar	3	3	3	1
18:Nigeria	2	2	2	2
19:Oman	1	1	1	1
20:Pakistan	3	3	3	1
21:Philippines	2	2	2	2
22:Qatar	4	4	2	2
23:Saudi Arab.	1	1	1	1
24:Sudan	5	3	3	1
25:Thailand	1	1	1	1
26:Tunisia	1	1	1	1
27:Turkey	1	1	1	1
28:United A E	1	1	1	1
29:Viet Nam	2	2	2	2
30:Yemen	1	1	1	1

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-14: Case Processing Summary

	Cases					
	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
ConsumPr0611 * Countries * Ward Method	30	100,0%	0	0,0%	30	100,0%
LabProductiv * Countries * Ward Method	30	100,0%	0	0,0%	30	100,0%
GovDebtinGDP * Countries * Ward Method	30	100,0%	0	0,0%	30	100,0%
TaxRevenue * Countries * Ward Method	30	100,0%	0	0,0%	30	100,0%
GDPperEmploy * Countries * Ward Method	30	100,0%	0	0,0%	30	100,0%
GDPgrowth015 * Countries * Ward Method	30	100,0%	0	0,0%	30	100,0%
BalanPayment * Countries * Ward Method	30	100,0%	0	0,0%	30	100,0%
BalaPayInGDP * Countries * Ward Method	30	100,0%	0	0,0%	30	100,0%
FDInflow15 * Countries * Ward Method	30	100,0%	0	0,0%	30	100,0%
FDloutflow15 * Countries * Ward Method	30	100,0%	0	0,0%	30	100,0%

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

Table-4-1-15: Case Summaries

Countries	Consum Pr0611	LabProductiv	GovDebt inGDP	TaxRevenue	GDPper Employ	GDPgrowth015	BalanPayment	BalaPay lnGDP	FDlinflow15	FDIoutflow15
Total	9	9	9	9	9	9	9	9	9	9
Median	7,8800	33,5680	64,3500	15,7000	5,9000	3,8000	-8,4000	-1,8000	2,8000	-1,3000
Minimum	3,10	13,63	24,00	9,83	-20,00	1,20	-37,20	-15,00	-30,30	-47,70
Maximum	12,66	54,08	111,00	38,40	22,50	4,70	8,10	18,30	6,50	34,90
Std. Deviation	3,74101	14,43014	28,76765	8,41783	13,44149	1,07350	14,26087	9,71701	16,63449	22,65297
Mean	7,8600	34,3186	60,9400	18,0778	5,5389	3,5267	-13,6667	-2,8444	7,8889	-5,222
2 N	4	4	4	4	4	4	4	4	4	4
Median	5,3750	99,7500	5,1000	1,2000	-28,0000	4,1100	-5,4000	8,8500	2,3000	7,4000
Minimum	2,74	78,74	1,90	,35	-39,40	2,20	-30,90	-2,20	-23,80	-5,60
Maximum	10,90	157,46	22,98	2,55	-16,00	4,60	-1,50	21,30	2,50	26,50
Std. Deviation	3,43424	33,87117	9,59581	,90967	10,15135	1,11360	13,59657	10,26677	11,93158	14,50388
Mean	6,0975	108,9260	8,7700	1,3250	-27,8500	3,7550	10,8000	9,2000	6,4750	8,9250
3 N	7	7	7	7	7	7	7	7	7	7
Median	8,0200	17,6870	11,6000	11,3600	37,9000	6,2000	11,8000	1,2000	6,2000	35,3000
Minimum	5,32	3,27	1,80	3,00	7,30	5,20	-89,30	-1,15	-5,70	,10
Maximum	18,90	185,75	54,50	86,80	66,70	12,40	8,40	12,50	48,00	116,00
Std. Deviation	4,59993	73,59659	19,05164	29,77412	22,09943	2,47322	32,73916	5,99574	17,97715	38,99261
Mean	9,2114	53,9464	20,0657	20,3800	38,8143	7,2557	20,6714	3,8357	10,8614	39,1000
4 N	8	8	8	18	8	8	8	8	8	8
Median	3,7525	16,5705	41,6250	14,2050	27,7900	5,6000	,3500	1,0750	47,0500	22,7000
Minimum	2,75	2,70	4,20	,91	10,70	3,55	-28,50	-12,50	-4,30	-8,60
Maximum	17,90	62,60	106,00	23,57	109,30	9,55	73,70	8,50	173,60	118,30
Std. Deviation	5,42051	21,36336	31,04707	6,89998	30,85954	1,93008	31,75818	6,63475	56,74247	41,40079
Mean	6,2719	23,1605	42,9438	13,9663	40,0225	5,9638	9,2750	-,1188	54,8750	39,3250

Table-4-1-15: Case Summaries (Continued)

5	N	2	2	2	2	2	2	2	2	2	2
	Median	61,087 5	34,991 5	20,000 0	8,0900	2,9500	3,4500	-3,0000	-,6000	-1,0800	-3,2500
	Minimum	15,28	16,18	3,80	6,68	-7,00	2,70	-5,80	-5,70	-2,90	-6,60
	Maximum	106,90	53,80	36,20	9,50	12,90	4,20	-,20	4,50	,74	,10
	Std. Deviation	64,788 66	26,599 24	22,910 26	1,9940 4	14,071 42	1,0606 6	3,9598 0	7,2124 9	2,5738 7	4,7376 2
	Mean	61,087 5	34,991 5	20,000 0	8,0900	2,9500	3,4500	-3,0000	-,6000	-1,0800	-3,2500
Total	N	30	30	30	30	30	30	30	30	30	30
	Median	7,5300	27,862 0	33,100 0	12,620 0	17,000 0	4,5600	-5,9500	-,6750	3,2000	12,550 0
	Minimum	2,74	2,70	1,80	,35	-39,40	1,20	-89,30	-15,00	-30,30	-47,70
	Maximum	106,90	185,75	111,00	86,80	109,30	12,40	73,70	21,30	173,60	118,30
	Std. Deviation	18,644 62	46,768 97	30,828 02	15,932 15	31,470 04	2,2763 9	25,977 40	8,5494 0	40,258 97	35,611 68
	Mean	11,065 3	45,915 4	36,918 3	14,619 0	17,874 3	5,0720	-8,0900	1,1967	13,865 7	20,426 7

Source: Own Statistical Analysis based on the SPSS (Special Program for Social Sciences)

The Table-4-1-12 and Table-4-1-13 connecting the cluster analyses and also concern the Figure-4-1-4 and Figure-4-1-5. The Table-4-1-12 and Table-4-1-13 show the structure of the clustering the 30 selected countries into different clusters, which depends on that how many clusters are, and into which the countries can be clustered. The Table-4-1-13 shows countries to be clustered into two classes, three classes, four classes and five classes. Also the Figure-4-1-5 with Dendrogram using Linkage visually how the clusters of countries can be cut. If the cut is at level remarked by 5, therefore 11 clusters of countries from 30 selected one will be or if the cut is at level remarked by 25, therefore 2 clusters of the 30 countries will be created. Naturally the optimum version can be 5 clusters of countries, as these SPSS analyses are set up (see Table-4-1-1 and Figure-4-1-5).

The clustering system is set up on different economic characters of the 30 selected countries, which characters are analysed by ten variances classified into four different variances. Ten variances are economic data concerning the different economic parts of the performance of the countries. Strengthen of the correlations and significance among ten variances as

economic data is determining rang of countries concerning each other and therefore the clustering system for them. Naturally countries of each cluster should be similar to each other, otherwise these countries cannot be clustered into one cluster.

The Table-4-1-11 and Table-4-1-14 summary the main result for analysing the 30 selected Asian and African countries based on the SPSS analyses. In the Case Processing Summary all cases are valid and no any missing for cases of the selected 30 countries (Table-4-1-11). The Case Processing Summary means that in the analysed cases, all of the 30 countries are included in ten variances by 100% and no any excluded based on the Ward Method of SPSS. This means that the analyses are complete (Table-4-1-14).

The last Table-4-1-15, namely Cases Summaries provides summarised analyses about main characters of each cluster or country-group by variances and the differences among countries based on the median, minimum, maximum, Std. Deviation and mean values(also see the Table-4-1-9). Some data of this Table-4-1-15 is similar to Table-4-1-9, in which the data are summarised for 30 countries as one country-group. But in the case of the Table-4-1-15, the data are summarised for cases of five country-group and each country-group is summarised for the above mentioned values. Also in the Table-4-1-15 the other value is indicated as median value, which is at middle level between the minimum and maximum values determined by ten variances based on the statistical data bases of Table-4-1-1.

In the Table-4-1-15, in general the large difference in case of the Std. Deviation is considerable not only in all of the 30 countries, but most of the five country-groups in fields of the labour productivity, GDP per employed, *FDIinflow15* and *FDIoutflow15*. Also it can be mentioned that the Std. Deviation is very considerable in case of the THIRD country-group including seven countries (see Figure-4-1-5), where the value is 73,596 in field of the *labour productivity*, which is more than the level of Std. Deviation averagely by value 46,768 of 30 countries. Also the difference, as Std. Deviation is very high level by value 56,742 in field of the *FDIinflow15* in case of the FOURTH country-group including eight countries.

In general the difference in Std. Deviation is similarly considerable among 30 countries as well as inside each country-group of five country-groups in fields of the above mentioned four variances. This means that inside each country-groups the difference in Std. Deviation can be more than average difference among 30 countries. In the FIFTH country-group

including two countries, the difference in Std. Deviation is considerably at highly level by value 64,788 in field of *ConsumPr016* (consumer price), but this difference is not usually among 30 countries, because this difference of Std. Deviation is only between Iran and Sudan (see Table-4-1-1 and Table-4-1-15).

The above mentioned tables well provide proof how the structure of the correlation and significance are among the 30 selected countries in Asia and Africa. These countries are very variable from the OPEC crude oil exporting countries with highly level of labour productivity in their advanced mining sector, countries with increasing GDP growth rate and other countries with high negative balance of the payment.

The data analyses based on the SPSS system, the inverse, logical and strong correlations can be experienced between two variances, namely labour productivity and GDPperEmploy in cases of selected 30 Asian and African countries emphasizing labour productivity increases, while the GDP per employed decreases. *In case of this large country-group if the labour productivity increases, the employment level increases, therefore the GDP per employed decreases* (also see the Table-4-1-1). Also the clustering system can follow these correlations and significance based on the different performance of the 30 selected countries analysed by ten variances classified into four different variances.

Some summarised conclusions as Thesis from the data bases of 30 selected countries

According to the Figure-4-1-1, by the increasing labour productivity the production process can also increase accompanying the positive balance of payment calculated in GDP, which mostly leads to increasing rate of GDP per employed and GDP growing rate.

Naturally the better income possibility for the firms can stimulate them to increase the FDI inflow into these countries and FDI outflow from the national economies to other countries either in Asian and African one or to the other region of the world economy.

The better economic conditions concerning the labour productivity decreases the negative balance of payment or increase the positive balance of payment calculated in GDP for the national economies of the Asian and African countries. Therefore the governmental debt could decrease in GDP in the same time.

Also the FDI inflow is stimulated by national economies by ensuring secure well-seen concerning the economic favourable background for the foreign companies, for example at low level of the TaxRevenue.

From point of view of the data bases coming from 30 selected African and Asian economies it is very clear that the labour productivity, LabProductiv, has a dominant role for setting the range of countries. In this quarter of the score, above line "X" in the right side, most of the countries calculated by this statistical program have had considerable average increase in field of the labour productivity from 2006 to 2016 based on the dollar of 2011.

Generally those countries, which have mostly considerable positive balance of payment in GDP, the governmental debt will be less amount in the GDP. First this can be proofed in cases of the crude oil exporting countries. In those countries, where the balance of payment in GDP is less positive or negative, even in less negative balance, their governmental debt in GDP can be considerable. This is a logical and strong correlation between the balance of payment and government debt.

In cases of the crude oil exporting economies the GDP per employed is always depending from the world price of the crude oil, which can be followed by the economic growth of these crude oil exporting countries.

Also the similarly to above mentioned it can mostly be declared that the average GDP growth rate between 2006-2015 in %, as variance namely GDPgrowth015, was considerable in cases of the crude oil exporting economies.

In cases of those countries, where the balance of payment in GDP (BalaPayInGDP) and therefore also the average central government debt in GDP (GovDebtinGDP) are at low level and also their domestic market size is smaller concerning the measure of the population, these countries have considerable FDIoutflow15 (variance).

Naturally the LabProductiv, as average labour productivity in the period of 2006 and 2016 has a considerable role for creating a better and more favourable competitive position of any country on the world market.

In these countries, where the level of the labour productivity decreased, this made negative influences on the level of growing rate of these economies based on the increasing governmental debt in GDP and increasing the negative balance of payment in GDP.

According to the Figure-4-1-3 if any country decreases the positive balance of payment, this can affect creating a considerable increasing share of the government debt in percent of GDP.

If any country increases the positive balance of payment, this can affect the creating a considerable decreasing share of the government debt in percent of GDP.

If any country decreases the positive balance of payment, while increased the labour productivity, these can affect creating a considerable decreasing share of the government debt in percent GDP.

If any country increases the positive balance of payment, while the labour productivity remain at very low level, these can affect creating a considerable increasing share of the government debt in percent of GDP.

There is a contradiction correlation, if the positive balance of payment decreases; this leads to create a considerable increasing governmental debt in GDP, but if the positive balance of payment increases; this leads to create a considerable decreasing governmental debt in GDP. In this case the positive balance of payment is calculated in percent of GDP. Also if the positive balance of payment decreases; but the labour productivity considerably increases this leads to create a considerable decreasing governmental debt in GDP.

This means that the labour productivity can strengthen the trade exchange for the companies, which for the longer time can stimulate the future positive balance of payment by increasing tax payment from the companies' surplus profit income, personal income from employed people' salaries and from the value added taxes paid after the increasing consumption or based on the increasing the consumer price level.

If any country decreases the positive balance of payment, while the labour productivity remain at very low level, and also the GDP per employed increases, therefore all of these three elements can affect creating a considerable small share of the government debt in GDP, because the GDP per employed shows considerable investment in direction to creating jobs, to extend the domestic market with increasing the Consumption price level. This means that either the increasing developed level of labour productivity or the increasing investment by increasing the GDP per employed, which can realise the lower level of the government debt in GDP in any country.

China and its performance

From the 30 selected Asian and African countries – except Qatar - China has reached the top level of

- .- the average GDP growth rate between 2006-2015 (GDPgrowth015) by 9,55%,*
- .- GDP per employed from 2006 (GDPperEmploy) by 109,3% based on the diversified economic development strategy to ensure jobs and supply the demands of the domestic market and population from the domestic production with export oriented strategy,*
- .- FDI Outward flow 2005-2015 (FDIoutflow15, 2005=100) by 118,3%*
- .- these results were implemented together moderate increase of balance of payment (BalanPayment) by 14,9%,*

- .- increase of tax revenue (TaxRevenue) by 9,9%,*
- .- keeping level of average of consumer price in the same period (ConsumPr0611) by increasing 2,94%,*
- .- by keeping the level of 4,4%, as positive balance of payment in GDP (BalaPayInGDP),*
- .- internationally comparably successful low level of the average central government debt, total (GovDebtinGDP) by 11,5%*
- .- with increasing average labour productivity (LabProductiv) by increasing 18,2% as averagely in period of 2006-2016.*

This stabled and fixed performance of China can ensure for this country to extend its economic influences on the world economy mostly by increasing FDI outflow and the export oriented strategy based on the diversified economic strategy.

Also China has started to develop its performance in direction to the environmental conservation strategy based on using green energy and implementing green investments.

5. CONCLUSIONS AND SUGGESTIONS

5.1 Some conclusions and suggestions for developing the thirty selected Asian and African economies

At the beginning of my study I researched *some emerging questions* were in this study concerning the financial and economic conditions of the selected developing economies concerning the different economic development processes, consumption volume increase and the role of the FDI.

Also I analysed that the FDI inflow and the FDI outflow and their balance, which could stimulate the economic activities and the performance of the countries by increasing the job possibilities to increase the purchase power parity and the consumption of the population. The labour productivity and the increasing work-places based on the capital inflow and more activity of the domestic national firms and corporations can increase the incomes for either consumers, as employees or corporations. The increasing trends of the incomes can increase the revenues and different kinds of the taxes for the fiscal budget and decreasing governmental debt, which can make considerable influences on the changing the balance of the governmental budget to decrease or increase this one into the negative or positive directions. Finally the main aim is to decrease the governmental debt and the creating the positive balance of the payment of the economies.

My opinion that the other question can emerge that how the *labour productivity* and FDI inflow and outflow can realise the successful economic growth and favourable tax-revenues of the national governments in the selected countries? I declare that the labour productivity has considerable role for the managing the successful and competitive companies and it can also contribute to the positive balance of the payment in cases of the selected countries.

I emerge the *other question, which can be that what reasons were* for the good prosperity of selected countries after the economic crisis in 2009? In this year, in 2009, most of the developing countries a considerable fall happened in their economic growth, which resulted considerable backwardness in fields of the GDP decrease per employed people, consumption, balance of payment and FDI inflow into most of developing countries included in these

selected one. This negative economic decrease resulted increasing governmental debt because of the decreasing tax revenues.

Also I researched that the low level of the *labour productivity* could not ensure enough satisfactory competitiveness of the domestic products produced by companies of these developing countries on the world market. The *foreign exchange rate* was going wrong, therefore the FDI inflow was not stimulated to increase the more investments in the developing economies. The countries needed for ensuring more exported products to obtain less imported products. This means that the unified imported product should be paid by more times exported products.

I declared that the low level of the *national financial reserves* also contributed to increasing negative *balance of the payment* of each country. Also the weak national financial reserves were pressed by increasing *governmental debt*, which could “feed” more and higher deficit of the balance of the payment. In spite that the domestic market could narrow, therefore the exported products could have increased since the beginning of the economic crisis. But the employment rate decreased, which also contributed to the decreasing the PPP (purchase power parity) and this led to the narrowing the domestic market. Also I declare that the low level of the employment could not help to increase the export, which could have been obligatory for the paying more imported products, but not in volume but in value of import, because of the decreasing foreign exchange rate of these selected countries.

Also I focus on the other question, which can emerge that how tax revenues have strong correlations with increasing negative balance of the governmental debt in percent of the GDP? Also how the decreasing FDI inflow into countries affects the decreasing GDP per employed people? Naturally this is a very important issue that the decreasing investment can result less employment which affect backwardness for the tax revenues after paying personal income taxes and VAT (value added taxes). The different countries have different economic conditions in these fields mentioned above.

5.2 New Scientific Results

.- 1 The LabProductiv, as average *labour productivity* in the period of 2006 and 2016 has a considerable role for creating a better and more favourable competitive position of any country on the world market. In these countries, where the level of the labour productivity decreased, this made negative influences on the level of growing rate of these economies based on the increasing *governmental debt in GDP* and increasing the negative balance of payment in GDP. If any country has even decreased the balance of payment, while increased the labour productivity, these can affect creating a considerable decreasing share of the government debt in GDP. If any country increases the positive balance of payment, while the labour productivity remain at very low level, these can affect creating a considerable increasing share of the government debt in GDP. Also if the balance of payment decreases; but the labour productivity considerably increases this leads to create a considerable decreasing governmental debt in GDP. This means that the labour productivity can strengthen the trade exchange for the companies, which for the longer time can stimulate the future positive balance of payment by increasing tax payment from the companies' surplus profit income, personal income from employed people' salaries and from the value added taxes paid after the increasing consumption or based on the increasing the consumer price level.

.- 2 By the increasing *labour productivity* the production process can also increase accompanying the *positive balance of payment calculated in GDP*, which mostly leads to increasing rate of GDP per employed and GDP growing rate. Naturally the better revenue possibility for the firms can affect them to increase the *FDI inflow (Foreign Direct Investment)* into these countries and *FDI outflow* from the national economies to other countries either in Asian and African one or to the other region of the world economy. In cases of those countries, where the balance of payment in GDP (BalaPayInGDP) and therefore also the average central government debt in GDP (GovDebtinGDP) are at low level and also their domestic market size is smaller concerning the measure of the population, these countries have considerable FDIoutflow¹⁵ (variance). The fixed performance of China can ensure for this country to extend its economic influences on the world economy mostly by increasing FDI outflow and the export oriented strategy based on the diversified economic strategy.

.- 3 The better economic conditions concerning the *labour productivity* decreases the *negative balance of payment* or increase the positive balance of payment calculated in percent of GDP for the national economies of the Asian and African countries. Therefore the governmental debt decreases in percent of GDP in this period. Generally those countries, which have mostly considerable positive balance of payment in GDP, the governmental debt will be less amount in the GDP. First this can be demonstrated in cases of the crude oil exporting countries. In those countries, where the balance of payment in GDP is less positive or negative, even in less negative balance, their governmental debt in GDP can be considerable. This is a strong correlation between the balance of payment and government debt.

.- 4 From point of view of the data bases coming from 30 selected African and Asian economies it is very clear that the labour productivity, has a dominant role for *setting the range of countries*. In this quarter of the score, above line “X” in the right side, most of the countries calculated by this statistical program have had considerable average increase in field of the labour productivity from 2006 to 2016 based on the dollar of 2011.

.- 5 If any country decreases the balance of payment, while the *labour productivity* remain at very low level, and also the *GDP per employed* increases, therefore all of these three elements affect creating a considerable small share of the government debt in GDP, because the GDP per employed shows considerable investment in direction to creating jobs, to extend the domestic market with increasing the *Consumption price* level. This means that either the increasing developed level of labour productivity or the increasing investment by increasing the GDP per employed, which can implement the lower level of the government debt in GDP in any country.

6. SUMMARY

My research work in my dissertation aimed at analysing the 30 selected Asian and African countries based on different variances mentioned in some chapters in detailed. I decided the analyses compared by my scientific approaches applying for these countries and declared the differences among these countries within several clusters. Based on the data these countries are very variable and they have many difficulties to coordinate their international regional economic integration or to set up a wide side work separation based on their international competitiveness. Naturally any country can have comparative advantages with some, more or less international competitiveness, but these countries mostly have weak economic positions to create strong economic role by their mostly weak foreign exchange rate.

I also focus on the analysing the Chinese economic conditions. According to the China and its performance from the 30 selected Asian and African countries – except Qatar - China has reached the top level of

- .- the average GDP growth rate between 2006-2015 (GDPgrowth015) by 9,55%,
- .- GDP per employed from 2006 (GDPperEmploy) by 109,3% based on the diversified economic development strategy to ensure jobs and supply the demands of the domestic market and population from the domestic production with export oriented strategy,
- .- FDI Outward flow 2005-2015 (FDIoutflow15, 2005=100) by 118,3%
- .- these results were realised together moderate increase of balance of payment (BalanPayment) by 14,9%,
- .- increase of tax revenue (TaxRevenue) by 9,9%,
- .- keeping level of average of consumer price in the same period (ConsumPr0611) by increasing 2,94%,
- .- by keeping the level of 4,4%, as positive balance of payment in GDP (BalaPayInGDP),
- .- internationally comparably successful low level of the average central government debt, total (GovDebtinGDP) by 11,5%
- .- with increasing average labour productivity (LabProductiv) by increasing 18,2% as averagely in period of 2006-2016.

Also China has started to develop its performance in direction to the environmental conservation strategy based on using green energy and implementing green investments.

In my research work I declared that if any country has decreased the balance of payment, this can make influence on the creating a considerable increasing share of the government debt in GDP. If any country has increased the balance of payment, this can make influence on the creating a considerable decreasing share of the government debt in GDP. There is a contradiction correlation, if the balance of payment decreases; this leads to create a considerable increasing governmental debt in GDP, but if the balance of payment increases; this leads to create a considerable decreasing governmental debt in GDP. In this case the positive balance of payment is calculated.

I declare that in cases of the crude oil exporting economies the GDP per employed is always depending from the world price of the crude oil, which can be followed by the economic growth of these crude oil exporting countries. Also the similarly to above mentioned it can mostly be declared that the average GDP growth rate between 2006-2015 in %, as variance namely GDPgrowth015, was considerable in cases of the crude oil exporting economies.

I summarize finally that the most of these 30 selected countries have considerable increasing rate in field of labour productivity, but this does not mean that their labour productivity can be developed. Therefore and because of the labour productivity is at low level the governmental debt and negative balance of payment in GDP are considerable in most of the 30 selected countries. Also the FDI outflow is in case of considerable one, this is not mostly caused by strong economy, but weak economic background of the national economies for receiving FDI inflow in the countries.

Based on my opinion the solution of these economic conditions is to develop national economies by international co-operations, strengthen national currencies and connect this one to the relative strong international currencies as US dollar, decrease governmental debt by increasing labour productivity, which last one can make fixed economic position for companies and employees by increasing their purchase power parity.

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