



7<sup>TH</sup> INTERNATIONAL CONFERENCE

# Actual Economy

SOCIAL  
CHALLENGES  
AND FINANCIAL  
ISSUES IN XXI CENTURY



**ACE:FIIS**  
**@ 2017**  
Saint-Petersburg.RU

CO-ORGANIZED BY:

FACULTY OF MANAGEMENT SCIENCE  
SUAN SUNANDHA RAJABHAT UNIVERSITY,  
BANGKOK, THAILAND

PETER THE GREAT POLYTECHNIC  
UNIVERSITY, S.-PETERSBURG, RUSSIA

CO-SPONSORED:

UNIVERSITY OF ECONOMICS IN BRATISLAVA, SLOVAKIA

TABLE OF CONTAIN

Conference agenda	7
<b>Chapter 1.</b>	
<b>Problems of economic integration and SME development in ASEAN region</b>	19
Equity and efficiency: factors of interdependence in modern social and economic dynamics	
	<i>Prateep Wajeetongratana</i> 20
Thailand's SMEs Competitiveness within ACE: prospects, problems and opportunities	
	<i>Kunphattra Patarapongsathon</i> 25
Management style and Employee' s Job Satisfaction (the case of Local and International hotels chains in Thailand)	
	<i>Chanpen Meenakorn</i> 29
Marketing Mix of Thai Cooking and Thai Massage Teaching Service for Foreign Tourists	
	<i>Thammamonr Khunrattanaporn</i> 36
Affecting Factors of the Palm Oil Price and AEC Trade Impact	
	<i>Pichamon Chansuchai</i> 43
Consumer Behavior and Marketing Mixed Factor Effect on Consumer Decision Making for Thai Movies Presented in EGV Seacon Bangkae cinema	
	<i>Pongsawee Supanonth</i> 48
Development of Trading Service on Thai Border Transport in ASEAN Free Trade Area : Case Study Ranong Province	
	<i>Sakapas Saengchai</i> 52
Factors Affecting the Organizational Performance of Direct Sales Business in Thailand	
	<i>Nattapong Techarattanased</i> 57
Investigating Innovative Organizational Performance of Small and Medium Enterprises in Thailand	
	<i>Bundit Pungnirund</i> 64
An Investigate on the Antecedents Influencing Online Brand Equity of E-Marketplace in Thailand	
	<i>Wanida Suwunniponth</i> 70
Insuring Consumption Against The Health Shocks: A case of Thailand	
	<i>Yuthapoom Thanakijborisut</i> 76
Factors of consumers' preferences: analyzing and predicting to increase sales of organic food (the case of Thailand)	
	<i>Rewadee Waiyawassana</i> 80
Digital economy as a factor of Small Medium Enterprise Empowering (the case of Indonesia)	
	<i>Supaporn Prajongjai</i> 85 <i>Somtop Keawchaer</i>

## Actual Economy: Social Challenges and Financial Issues in XXI century

The Model of Ethical Standard for Communication Arts Students	<i>Supralee Wattanasin</i> 90
Thailand Contemporary History of Newspaper: From the Revolution to Reformation Era	<i>Surasit Vithayarat</i> 94
<b>Chapter 2.</b>	
<b>International labor market development and modern HR-practices</b>	99
Gender Pay Gap of the Thai Labor Market	<i>Siriwan Saksiriruthai</i> 100
Corporate organizational management in modern innovative business	<i>Punrapha Praditpong</i>
Entrepreneurial Leadership and Effective Management in tactical development of SME (the case of Thai silk industry)	<i>Supaporn Wimonchailerk</i> 103
National Human Resource Development Strategy in context of ACE formation	<i>Preecha Pongpeng</i> 107
Foreign Labor Force as a reason for National budget Loss (the case of Indonesia)	<i>Routsukol Sunalai</i> 111
International Labor Migration as a Factor of Economic Growth	<i>Kanokwan Kaewprasert</i> 114
Urbanization as a factor for ASEAN economic development (example of Indonesia)	<i>Prapoj Na Bangchang</i> 117
Innovative Approaches to Cooperation within the Innovative Education Chain	<i>Ladaporn Pithuk</i> 120
The Comparison of Saving Factors in the Employed Population	<i>Chin Tangtarntana</i> 126
School performance and Financial Adequacy: Evidence from Thailand	<i>Varangkana Chitraphan</i> 128
Economic regulation in terms of the multinational entrepreneurship development	<i>Runglaksamee Rodkam</i> 131
Innovations in Thailand banking Industry development: unlimited source or endless problems	<i>Wipanee Maen-in</i> 133
Mathematics in Economic Analysis: What is its Role?	<i>Charawee Butbumrung</i> 139
The Marketing Communication Strategy of Thai film: Case of GTH's Studio	<i>Pittaya Klongkratoke</i> 142
	<i>Prakaikavin Srijinda</i> 144

**Chapter 3.**

<b>Tourism and service markets' development: issues, problems and solutions</b>	147
Destination Branding As A Tool For Effective Tourism	
Macro-Marketing (The Case Of Bangkok, Thailand)	
	<i>Pisit Potjanajaruwit</i>
Implementation of Servuction Service Model: instruments, issues, prospects (the case of Zenith Hotel, Bangkok, Thailand)	148
	<i>Supattra Kanchanopast</i>
Cashless Payment: new technologies Application in Thai tourism industry	153
	<i>Ratsamee Ratana-u-bol</i>
Mega-event promotion and organization as tools of National Image-Building	156
	<i>Narong Anurak</i>
Travelers' Motivation: impact of information factors in Tourists Visiting Intentions	160
	<i>Nareenad Panbun</i>
Studying Motivation to develop tourists satisfaction (the case of Russian visitors of Pattaya, Thailand)	163
	<i>Phakit Treesukol</i>
Passengers' Pre-Flight Expectations and overall quality of airlines services: functional role and current influence	167
	<i>Suwimol Apapol</i>
Tourist Threats To Cultural Heritage: An Investigation Of Tourist Behavior Violating The Culture of Wat Pho	171
	<i>Poramatdha Chutimant</i>
Factors Influencing Consumers' Repurchase Intention of Low-Cost Airline: A Case Study of Thai AirAsia	176
	<i>Siri-Orn Champatong</i>
Managing Customer loyalty: A study of Budget Rent A Car in Bangkok, Thailand	182
	<i>Mananya Meenakorn</i>
International Business Trends Under Impact Of Innovative Modernization	189
	<i>Somchai Buarong</i>
Economy of Thailand North-East (Isarn): local advantages and global prospects	193
	<i>Suvimon Wajeetongratana</i>
	<i>Huda Wongyim</i>
News Values of Thai Mass Media in Convergence Journalism Era, in Attitudes of the People in Bangkok	196
	<i>Wiroj Srihirun</i>
Challenges of Thailand Digital Economy Towards Community Tourism Development: Case Study of Baan Yafu, Maeyao District, Chiangrai Province	200
	<i>Niracharapa Tongdhamachart</i>
	205

## Actual Economy: Social Challenges and Financial Issues in XXI century

---

Using 3D Animation in Promoting Tourism in Baan Yafu, Thailand	
<i>Siridej Sirisomboon</i>	207
<b>Chapter 4.</b>	
<b>New sources for effective economic and social development</b>	210
State-of-the-Art and further developments in Business Model Research for Industry 4.0	
<i>Richard Stechow, Magdalena Mißler-Behr</i>	211
An Investigation into the Reduction of Supply Chain Risks of Supplier and Producer due to Industry 4.0	
<i>Katharina Hobusch, Magdalena Mißler-Behr</i>	217
Methodological Features Of Modeling GRP Production In The Northern And Arctic Regions	
<i>Tatiana Skufina, Sergey Baranov, Vera Samarina</i>	222
Estimation of projected changes in the geological environment that affect the economy: new formulation of the problem and results of the study	
<i>Tatiana Skufina, Sergey Baranov, Vera Samarina</i>	226
Corporate tax as a direct tool for supporting the public sector in the Slovak Republic	
<i>Jana Kušňirová</i>	229
City as an Object of Ecological and Economic Researches: the Example of Russian Cities	
<i>Shcherbakova Nadezhda Viktorovna, Khaikin Mark Mikhailovich</i>	232
Matrix Structures of Science and Technology Innovation Development and Implementation Trajectory	
<i>Mokeeva Tatiana Vasilievna</i>	235
Investments in human capital: Effectiveness of investment in higher education in Russia	
<i>Y.Y. Kuporov, EA Avduyevskaya</i>	236
Aspects of Globalization Impact on Economic and Financial Processes	
<i>Volkova Nadejda V., Guzikova Ludmila A., Olga S. Nadezhina</i>	240
A Model Of Economic Growth, Including Taxation And Public Sector	
<i>Chernogorskiy Sergey A., Shvetsov Konstantin Vladimirovich</i>	241
<b>Chapter 5.</b>	
<b>National eco-social system progress: challenges and promising</b>	243
Illicit Capital Flow: Evaluation And Forecasting	
<i>Guzikova Ludmila, Lukevich Igor, Smirnova Olga</i>	244
Optimization of the Innovation Process Management at a Manufacturing Enterprise	
<i>Daniel S. Demidenko, Ekaterina D. Malevskaia-Malevich, Yulia A. Dubolazova</i>	247
Investigation of the Interrelation between Diversification of the Enterprise's Operations and its Financial Stability	
<i>Sokolitsyn Alexander Sergeevich, Ivanov Maxim Vladimirovich, Sokolitsyna Natalya Alexandrovna</i>	256

Contradictions In Regional Innovative Activity And Ways To Overcome Them		
	<i>Degtereva Victoriia, Goncharova Natalia</i>	260
Electronic Tax Administration: Development Trends	<i>N.G. Victorova, E.N. Yevstegneev, D.U. Yablokov</i>	260
Assessment of the Housing Policy Efficiency in Russia	<i>L.A. Guzikova, A.V. Bataev, E.V. Plotnikova</i>	262
Problems of Trade Financing in the Russian Federation	<i>L.V. Nikolova, M.D. Velikova, P.S.Serov</i>	265
Environmental protection by environmental taxes	<i>Juraj Válek</i>	268
The VAT Revenue Losses and Increasing Efficiency of VAT Collection in the Slovak Republic	<i>Marcela Rabatinová</i>	272
Influence of Cultural Dimensions "Individualism" and "Power Distance" on Entrepreneurial Activity	<i>Kovaleva E.A., Bogacheva T.V., Kutlyeva G.M.</i>	276
<b>Chapter 6</b>		
<b>Actual economy: local solutions for global challenges</b>		279
The Innovation Development in the Slovak Republic in the Context of the Europe 2020 Strategy and Initiative Innovation Union	<i>Gonda Vladimír, Adamovský Peter</i>	280
Assessing The Impact Of Fossil Fuel Production On Territorial Economic Development	<i>O. E. Kichigin</i>	283
The Microeconomic and Macroeconomic Contexts of Remittances	<i>Magdaléna Přívarová, Andrej Přivara</i>	286
Impact of fiscal measures on the costs and consequences of unemployment	<i>Marta Martincová</i>	288
Alternative Approaches to Fiscal and Monetary Policy in the Course of the Economic Cycle	<i>Ján Lisý</i>	291
The Sustainable Economic Development Of Kazakhstan Through Improving Ecological State Of The Country	<i>I. Onyusheva, S. Kalenova, R. Nurzhaubayeva</i>	293
Comparison Of The Monetary Policy Of The Visegrad Four Countries In Terms Of Its Impact On The Economic Cycle	<i>Veronika Piovarčiová</i>	296
Human capital as an important aspect of the green economy	<i>Anufriev Valery, Kaminov Aitkali</i>	298
Evaluating The State Of Eco-Economy Of Kazakhstan	<i>S. Kalenova, I. Onyusheva, G. Yerubayeva</i>	301
How Taxation Affects Financial Decisions of a Firm in an Open Economy	<i>S.A. Chernogorskiy, K.V. Shvetsov, L.L. Pokrovskaya</i>	304

**Chapter 7.**

<b>Environmental issues of global economy development</b>	305
Assessment of the reproduction process of agricultural enterprises	
<i>M. F. Tyapkina, E.A. Ilina</i>	306
Key Performance Indicators in the Public Procurement Management: National Aspect	
<i>E.Zolochevskaya, E.Popova, E.Medyakova</i>	310
The Activation Of The Investment Process In The Agrarian Sector Of The Republic Of Crimea	
<i>Mochalina Olga Sergeevna</i>	314
Adaptability as a Tool for Managing an Enterprise in a Turbulent External Environment	
<i>Alexey Shmatko, Valery Yanovskiy, Lubov' Shamina</i>	314
Change Of Financial Behavior Paradigm Of The Stock Market Subjects	
<i>Kostyntine Malyshenko, Vadim Malyshenko, Elena Ponomareva</i>	319
Assessment of conditions of stationary state of the cities in the region due to the system approach	
<i>Pakhomova Anna Ivanovna, Buryakov Stepan Anatolyevich, Degtyaryova Tatiana Viktorovna</i>	322
Public-private partnership as a tool for sea-ports' investment attractiveness increasing	
<i>Ostovskaya Anastasiya Andreevna</i>	326
Attractiveness of the Arctic zone and the northern territories of Russia for migrants	
<i>Druzhinina Irina, Kurushina Elena, Kurushina Victoria</i>	
Government expenditures on education in The XXI century: quantitative evaluation and Limits of rationality	
<i>Kharchenko Ivan, Kharchenko Lana</i>	330
Effective management of coal industry as a condition of rational subsoil	
<i>Aliya Medebayeva</i>	334
MNCs as a factor for governance modernizing in XX century	
<i>Denis Ushakov</i>	335
Small and Medium Business Owners and Constructs of Entrepreneurs: A Case Study of Thai Business Owners in Southern California, USA	
<i>Yingsak Vanpetch, Mahachai Sattayathamrongthian</i>	340

## Equity and efficiency: factors of interdependence in modern social and economic dynamics

Prateep Wajeetongratana

Faculty of Management Sciences  
Suan Sunandha Rajabhat University,  
Bangkok, Thailand

### Abstract

Social fairness and economic efficiency are two most competing vectors in implementation of any national development strategy. In this article the authors are using statistical analysis to explain the correlation between the national system of welfare distribution and the conditions for economic activities in the light of economic policy implementation by governments. The authors also attempt to verify which priority forms the basis for national progress management - social or economic one.

### Key-words

Social Fairness; Material Wealth Distribution;  
Economic Effect; Economic Management  
Regime

### Theoretical background

Levels of material welfare in contemporary states is determined operating not only merely economic criteria, such as GDP level per capita or economic growth rates, but also taking into account the indicators of welfare, social fairness in incomes distribution, adequacy of pay to productivity, personal and collective contributions to production/performance, level of entrepreneurship risks etc.

Under globalization, national systems of welfare distribution which have been developing for decades as some sort of legal, economic and public infrastructure, today serve as an important factor of national economies' external competitiveness. This is because today the national system of material wealth distribution is able to determine the rate of country's economic progress in both short term (manifested as country's attractiveness for foreign workers, external capital, innovations and for business overall) and also in longer term (manifested through formation of a national innovation system, qualitative growth of national consumer demand etc.).

The interdependence of economic development and social justice (revealed through material wealth distribution and fair pay for executed labor) is not a new scientific problem, it has been studied for decades by now, and however, this issue still remains topical for many countries, especially for those struggling to define the necessary vector in their national strategies of economic regulation. The problem of vector choice here lays within the coordinate system of economic efficiency/liberalism and social fairness/socialism.

Back in 1955 Simon Kuznets posed a hypothesis about the relationship between the degree of personal income inequality within a country and the level of country's economic development. This hypothesis suggests that with economic growth, interpersonal income inequality first increases but after a certain point starts to decline (the so-called U hypothesis). Later in 1965, J.G. Williamson (1965) applied this inverted U hypothesis to the widely observed pattern of intra-country regional inequality with economic development. This hypothesis was later extended to inter-country inequality in Per Capita Gross National Product (PCGNP) by Robinson (1976). The paradigm of development economics has recently been shifted from PCGNP to human well-being and it has been broadly accepted that economic growth does not automatically translate into well-being. K. Mazumdar (Mazumdar, 2000) extended the application of the inverted U hypothesis to explain the relationship between inter-country inequality in terms of social indicators of development and economic growth.

Quite a wide range of truly interesting studies has been carried out to explain the mutual dependence between economic growth dynamics and fairness/justice in material wealth distribution, and also in relation to state provision of legal social lifts (education subsidies, crediting of small business etc.) or to informal/shadow social lifts (e.g., via corruption acts). For example, Eicher, T. et al. (2009) examined how interaction of

education and corruption affects institutional reform and economic development and found that while corruption reduces average income and education, education increases not only output and hence potential corruption rents, but also produces more informed electorates that better monitor further government actions. These authors also proved that economies with intermediate levels of education remain in a poverty trap since the level of skills creates sufficient corruption rents but not enough monitoring at the same time. Economies with low or high levels of education can escape the poverty trap, and inequality plays the key role in determining whether this occurs through a change in institutions or expansion of education.

Additionally to that, stimulation of economic growth through human capital development has been considered in great deal of detail by John Joshua (2000).

Despite rather wide and detailed research coverage of the relations between social fairness and economic efficiency for many contemporary economies, certain aspects remain understudied, namely, social/economic priorities in this mutual determinism, conditions and correlations related to this interdependence, also, theoretical assumptions require additional statistical grounding and additional empirical proof. All of this determines and explains the objective of our study presented below.

In the course of this study we intend to analyze the recent statistics data so that to test the following hypotheses:

- fairness in material wealth distribution, being an important component of social stability and a meaningful precondition for national innovation potential formation and development, directly impacts the attractiveness of an economic system for business;
- fairness in material wealth distribution and economic growth dynamics are in the relations of direct interdependence, that is, a socioeconomic system which already achieved a certain high level of social fairness, is supposed to get more additional opportunities for further economic progress;
- social fairness has the determining role for economic growth, however, the rate of this determination would differ depending on material welfare indicators in a country.

### Research structure and methodology

The three hypotheses posed above have predetermined the methodology of our research as well as the very structure of the study carried out.

Table 1. Countries – leaders by the Gini index and according to the global ranking "Doing Business 2015" (authors' selection from the DB data)

Gini index		Doing Business data	
Slovenia	23,7	New Zealand	1
Hungary	24,7	Singapore	2
Denmark	24,8	Denmark	3
Czech Republic	24,9	South Korea	5
Sweden	24,9	Norway	6
Netherlands	25,1	United Kingdom	7
Slovak Republic	25,3	United States	8
Belgium	25,9	Sweden	9
Austria	26,3	Estonia	12
Finland	26,8	Finland	13

At the first stage of our research we have evaluated the correlation between the indicators of material wealth distribution fairness and the rank of business attractiveness of the selected national economic systems. As the indicators to be tested we have opted to operate the well known Gini index along with the business climate ranking according to the internationally acknowledged "Doing Business" (see Table 1 above). While testing our third hypothesis we have also classified the selected countries according to the achieved level of social fairness in them and the dynamics of economic growth inside the selected groups. Overall, we have analyzed and compared the data on the 70 largest countries in the world. Only the 2015 statistics have been used (which might be the key limitation in our results, actually).

**Conclusions**

The carried out analysis of the correlation between Gini index for the selected countries of the world and the level of their business attractiveness clearly demonstrates there is no obvious dependence between these two indicators (as we expected). Table 2 presents our analysis by the decile groups (for both Gini index and in Doing Business ranking). In it, we can see that in all the decile groups the number of the same countries in the same decile group ranks in both rankings is no more than three.

Table 2. Countries with the same decile ranks in both rankings (Gini index and Doing Business – 2015) (authors' compilation)

Decile groups						
1-10	11-20	21-30	31-40	41-50	51-60	61-70
Finland	Germany	Spain	Israel	Morocco	Argentina	Brazil
Sweden	Iceland		Thailand		Philippines	
Denmark	Australia					

Therefore, our first hypothesis – regarding the interrelation between social fairness in material wealth distribution inside a country and this country's attractiveness for business – is not confirmed due to lack of empirical evidence. Despite the obvious influence of a national system of material wealth distribution on the quality of population life inside a country, and also on the growth of internal consumption and innovation potential of a local community – today national business prefers more efficient systems of public administration and more helpful and proactive protection of their private property rights (all of which may be also indirectly manifested through efficient taxation, external trade, labour protection codes and other elements taken into account, inter alia, in Doing Business rankings). Consequently, the statistical analysis proves the sad truth: socially fair and just system of material wealth distribution is simply not within the area of business interests (despite the growing popularity today of the so-called corporate business responsibility concept and socially responsible business trend). Thus, socially fair distribution of wealth is solely a public function. Moreover, for business itself formation of an advanced and most fair system of material wealth distribution (inter alia, through progressive taxation, state subsidies and state support for crediting, development of social lifis system etc.) would never have any positive effect. To prove this, we can turn again to global rankings in which the leading positions in terms of business attractiveness are occupied by Singapore, South Korea and the USA, and the same countries in terms of Gini index always go below the level of much less developed countries of Latin America or Africa. At the same time, we cannot really state that there exists some sort of negative correlation either (growth of social fairness in the society does not necessarily mean fall in business attractiveness). Three Scandinavian countries demonstrate that efficient combination of economic efficiency and social fairness is quite possible. Noteworthy here, at the maximum liberalism in their external national economic policies, these states have rather strong and maximally efficient internal policies.

Table 3. Correlation between material wealth distribution fairness and economic growth dynamics, data as of 2015, by groups of countries (compiled by the authors)

Groups of countries	Criteria of country's belonging to this particular group	Number of countries in a group	Correlation level
1 Hardcore poverty countries	GDP per capita – lower than 5000 USD	20	0,03
2 Poor countries	GDP per capita - 5001-10000 USD	12	0,34
3 Average income countries	GDP per capita - 10001 – 20000 USD	12	<b>0,62</b>
4 Well-to-do countries	GDP per capita - 20001 – 50000 USD	19	<b>0,57</b>
5 Rich countries	GDP per capita – over 50001 USD	7	<b>0,72</b>
	World average in the sample:	70	0,47

Another interesting fact: in the neighbouring them Norway which, unlike Denmark, Sweden or Finland, does not really appreciate liberalism in its external national economic policies (e.g. the country is actively protecting its national producers from foreign competitors; the state not only protects but also severely controls the hydrocarbon exports; and overall, the country is using many means to keep some sort of distance from the EU other markets), and the level of social fairness in this country is significantly lower (the Gini index is around 44). This means Scandinavian experience (apart from Norway) proves the success of their doctrine: strong and efficient state which is active inside a country (inter alia, guaranteeing social fairness) and which is at the same time inactive and/or not that successful in its external policies (that is, guarantees its national businesses only fair competitive positions, without overprotection).

Brazil, Argentina and the Philippines demonstrate the opposite, actually: if a state is inefficient in its internal policies – it is also not capable to implement its external policy. At the same time, South Africa, Namibia or Georgia managed to reach rather high levels of international business attractiveness, having at the same time (or maybe partially because of this) inefficient or even inexistent internal social policy.

After the careful analysis of the correlation between social fairness in material wealth distribution and economic growth dynamics for the selected countries (see Table 3) we got the data which confirms, on the one hand, the absence of obvious interdependence between these two indicators for 70 countries in the world (the coefficient is 0,47).

Obviously, with the growth of countries' welfare the rate of positive correlation between social fairness and economic attractiveness is also growing!

This correlation reaches its maximum in the most wealthy countries of the world in which fairness in material wealth distribution has found a way to convert into the drivers of economic growth. As mechanisms involved in this conversion we can consider the mentioned above innovation potential, opportunities to attract highly qualified labour force, high-capacity consumer demand, business infrastructure development, presence of transnational business branches in a country etc.

In poor countries there is hardly any correlation between economic growth dynamics and social fairness in material wealth distribution. Thus, we can make a rather obvious conclusion that even the most efficient system of material wealth distribution between the members of the same society would have little sense if the volume of this material wealth to be distributed is rather limited. Also, this means that economic growth in poor and hardcore poor countries (even if the growth is high in its relative terms) is guaranteed and supported not by the social systems performance and not due to the well performed social role of the state, but thanks to totally different factors (which would be mostly of economic nature, e.g., availability of resources, cheap labour force, presence of transnational corporate branches in a country etc.).

Table 4. Groups' average indicators (calculated and compiled by the authors)

Groups of countries	Average indicator in the group		
	GDP per capita	Gini index	Economic growth
1 Hardcore poverty countries	2082	40,74	5
2 Poor countries	7100	47,75	2,69
3 Average income countries	14300	39	3,06
4 Well-to-do countries	37300	31,61	0,16
5 Rich countries	65550	37,1	2,63

Analysis of average indicators of GDP per capita, Gini index and economic growth leads us to quite a curious conclusion: the most wealthy countries of the world are obviously not the most economically dynamic ones and (what is more interesting) definitely not the most socially fair. As we already noted above, high correlation between social fairness and economic growth in the group of rich countries enables them to maintain some sort of "happy medium" level, at which wealth is still distributed in quite a socially unfair manner, but the dynamics of economic growth is reasonable enough to balance/compensate for that. Thus, social stability is maintained through extended employment and growth of labour productivity, same applies to investment attractiveness which is maintained via consumption growth and low inflation rates.

Noteworthy, well-to-do countries in this regard find themselves in the most complicated situation.

## **Actual Economy: Social Challenges and Financial Issues in XXI century**

Their potential for further economic growth (which they had due to production development and mass consumption) is quickly exhausting, and at the same time the results of social fairness policy in the field of material wealth distribution have not manifested yet. Rather weak dynamics of economic growth on the background of very active (and generous) social programs (which often do lack financial grounding) stimulates only capital outflow from a country, which, as a result, is losing its international business attractiveness. Therefore, quite a large share of once well-to-do countries eventually find themselves in the group of average income countries.

The carried out here research on the macroeconomic indicators of the selected countries has been aimed to reveal the correlation between the national system of material wealth distribution (and its fairness) on one side and economic efficiency/performance of a country on the other. Our results as well as methodology have quite wide capacities for further application, both for forecasting purposes and also in terms of policy development (namely, in planning of national economic regulation measures, in assessments of national economic policy for its further changes etc.). However, while using all of this further one would need to take into account the following limitations:

First of all, in this study we used the data on quite a limited number of countries, and a range of internationally important actors have been statistically disregarded (including, inter alia, China, Russian Federation and Nigeria, all three were excluded due to lack of full data on them). Secondly, a serious limitation is that we have been operating data for one year only – 2015. And finally, the study is limited by the number of the indicators in question, we have been operating only Gini index and economic growth dynamics.

To overcome these and other potential limitations, we see the following prospects for further research in the same direction. First of all, more countries worldwide should be taken into account, same applies to the time framework. Other indicators could/should be taken into account in further research, including the indicator of fair labour pay, fair distribution of property and assets in a country (this could be especially important for the countries of the former socialistic camp which have undergone privatization relatively recently) etc.

### **References**

- Kuznets, S. (1955), "Economic Growth and Income Inequality", *American Economic Review*, 45, 1-28.
- Williamson, J.G. (1965), "Regional Inequality and the Process of National Development: A Description of Pattern", *Economic Development and Cultural Change*, 13(4), s. 3-45.
- Robinson, S., 1976, A note on the U hypothesis relating income inequality and economic development, *American Economic Review*, June.
- Mazumdar, K. Inter-country inequality in social indicators of development. *Social indicators research* (2000) 49: 335. Doi:10.1023/a:1006938427426
- Eicher, T., García-Peñalosa, C. & Van Ypersele, T. J (2009). Education, corruption, and the distribution of income. *Journal of economic growth*, September 2009, volume 14, issue 3, pp 205–231
- John Joshua. Human Capital, Income Distribution and Economic Growth. *Journal of Population Economics*. August 2001, Volume 14, Issue 3, pp 425–443
- Doing Business 2015: Going Beyond Efficiency. World Bank Group