



7TH INTERNATIONAL CONFERENCE

Actual Economy

SOCIAL
CHALLENGES
AND FINANCIAL
ISSUES IN XXI CENTURY



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TABLE OF CONTAIN

Conference agenda	7
Chapter 1.	
Problems of economic integration and SME development in ASEAN region	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 Somtop Keawchauer</i>	85

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

Chapter 3.

Tourism and service markets' development: issues, problems and solutions	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>Supatra 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 Buarooong</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 Srihiran</i>
Challenges of Thailand Digital Economy Towards Community Tourism Development: Case Study of Baan Yafu, Maeyao District, Chiangrai Province	200
	<i>Niracharapa Tongdhamachan</i>
	205

Using 3D Animation in Promoting Tourism in Baan Yafu, Thailand <i>Siridej Sirisomboon</i>	207
Chapter 4.	
New sources for effective economic and social development	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 Kušnířová</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
Chapter 5.	
National eco-social system progress: challenges and promising	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
Chapter 6		
Actual economy: local solutions for global challenges		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 Martinčová</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>	299
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.

Environmental issues of global economy development	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 Malysenko, Vadim Malysenko, 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	326
<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

International Labor Migration as a Factor of Economic Growth

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Abstract

This paper analyzes role of natural-resources, financial and labor factors in stimulation of economic growth of the modern states; studies relationships between stimulating role of natural resources, finance and labor with levels of modern countries' economy development. For conducting this research secondary statistical data (World Bank, UNESCO) on economical and social performances of 72 modern countries and global economic dynamic for last 8 years was used, and original authors' system of aggregated indicators was created and offered.

Based on achieved results findings about fundamental reasons of international migration; transformation of labor factor's role in providing an economical progress of the states; efficiency of positive impact of manufacturing factors (domestic and attracted from international markets) were offered. These recommendations can be considered as a theoretical platform for creation and further development of National Migration policy and countries effective positioning in the global labor market within transnational labor movement.

Key-words Migration policy, efficiency, Arabic disease, European Union, Middle East, labor immigration, emigration

Main Focus of the study

The analysis of national migration policy goals and strategic orientations allows determining four different approaches in labor immigration regulating. This determination was justified by peculiarities of historical and contemporary stage of countries' socio-economic development.

Depending on region of migrants' policy origin we can determine European, Post-colonial, Asian and Middle Eastern types of labor immigration regulation. Dedicated kinds of migration policies are differed by some criteria, have own set of requirements to socio-economic environment for their development and implementation [6].

Thus, European immigration policy before 2015 was mostly focused on the maintenance of multiculturalism, in which the EU authorities have traditionally seen conditions of region's innovative and social development [8, p. 19]. Migrants' social adaptation was debugged and effective together with maintaining of the planned number of labor immigrants and citizens who are trying to get political asylum.

The European migration policy remains effectiveness in conditions of fierce scheduling and planning of migrants' arrivals and high efficiency of joint activity of all countries - EU members' authorities [9, p. 79]. However, some problems of functional environment of the migration policy implementation in Europe immediately destroyed the myth about its effectiveness.

The first problem is a rapid increasing of internal interstate socio-economic disparities caused by entering of Eastern Europe and the Baltic states in the EU. It has spurred tremendous growth of intra-European migration that made Bulgaria, Estonia, Lithuania, and Romania "empty". The obligations of Western and Northern European countries, as well as desire to compensate increasing loss of labor force of Eastern Europe have led to a catastrophic declining of the skill level of labor immigrants in the Old World.

The second problem that European migration policy was poorly effective to overcome - is a gap in effectiveness of the implementation of migration initiatives of countries - EU members. As was concluded in earlier studies [1, 10] the unity of approaches to labor migration regulating in Europe is impossible.

The third problem that the EU migration policy was unable to resist - is non-prediction of foreign labor flows.

Actual Economy: Social Challenges and Financial Issues in XXI century

Post-colonial migration policy is peculiar to the former colonies (the British Empire), which in the beginning of the 21st century still feel demographic problems (Australia, New Zealand, Canada). Post-colonial immigration policy as well as European focused on long-term immigrants, capable for further integration and naturalization; is well planned (annual estimating of number of employment or residence permits).

In comparison with European migration policy immigration initiatives of postcolonial countries seem to be more effective. However, it should be taken into account a geographical factor - Australia, Canada and New Zealand are geographically dispersed states, deprived of their neighborhood with the countries - potential migration donors.

Asian type of migration policy formed in countries that do not have any problems with own population reducing, but which are very interested in own economic development accelerating also due to attracting of highly skilled workers from abroad [7, pp. 219-230]. Asian countries have very liberal visa regime for tourists. But these countries are mostly closed for foreign migrant workers who do not have specific high skills. Migration policies of Asian countries are more focused on short-term migration of high skilled workers (almost no-one Asian country issues work visas or work permits for more than a year), as well as on business immigrants (foreign investors) who are not interested in further naturalization.

There are no any priorities of socialization and integration into the host community in the migration policy of Asian countries. Also any social support of foreign workers and their families do not exist there. Business immigration in Asian countries is actively supported by government in the form of tax incentives, simplification of visa formalities for investors, operation and documental procedures. High skilled labor immigration in Asia is also supported by official discrimination of local workers (higher salaries of foreign experts, even in public companies, are traditional for Asia).

It is obvious that Asian migration policy will be effective while it remains rigid and discriminatory, cynical in determining the level of foreign personnel qualification. Any modernization of Asian migration policies towards liberalization and democratization, as well as reducing of own migration services' effectiveness (for example, due to bureaucracy and corruption) will lead to the fact that relatively prosperous countries of Asia faced with the influx of foreign workers, compared to which the "great Migration in Europe" is not-remarkable. It is worth noting that only Bangladesh has more than 60 millions of potential migrants (comparable to the population of France or Italy), Nepal - 10 million, in Pakistan or India - hundreds of millions!

As a special form of the Asian migration policy we can consider the Middle East model. It is similar with other Asian models due to own short-term orientation, lack of national programs for migrants' socialization. In contrast to other Asia, the Middle East migration policy is oriented on the labor of unskilled immigrants who are able to compensate a shortage of labor in the national markets and to satisfy the construction and commercial ambitions of the rulers of the Middle Eastern monarchies. Middle East migration policy is discriminatory in nature.

Business and high skilled migrants have maximum migration preferences, but national migration policy is significantly restricts labor rights (for example, social protection, working conditions, the schedule of work, the right to family reunification, pensions, and so on) of low-skilled foreigners.

Middle East migration policy - is the result of socio-economic phenomenon, which may be called "Arab disease" (similar to Dutch disease). Terms of this disease developing are the same as in case of Dutch - the high price of exports goods persisted for a long time, (in the case of Arabic, it is world price for hydrocarbons).

In the case of Dutch disease, high export revenues have stimulated the formation of "exclusive" industries (directly related to production and trade of export production), service industries and infrastructure, imported products import and trade, while eliminating the possibility of growth industries unrelated to exports.

Obvious symptoms of Arab disease are:

- Country's economic growth depending on the natural resource exports (which supply on global market is limited and price is determined on the world markets);
- Growth of import (due to the lack of national manufacture of consumer goods);
- Growth of social programs for local population and budget expenditures (for great infrastructure projects);

- Growth of foreign migration (mainly unskilled labor).

Obviously, the modern monarchies of the Arabian Gulf are an ideal environment for the development of the Arab disease, as well as the Russian Federation. Cheap, almost unlimited in its capacity unskilled labor is the second (after the oil or gas) resource of rapid economic development oil monarchies of the Middle East. The main threat for realization of this migration policy is obviously a sharp reduction of revenues from natural resources export, which generate many unskilled jobs in the Gulf.

Thus, the analysis of trends, mechanisms and dynamics of migration policies reformations in the modern countries around the world, allows identifying four basic approaches that differ by terms of priority of long-term migration projects, level of foreign workers' social support, and state support for immigration programs, and so on. A study of correlation of economic growth dynamics in countries with a changes of macroeconomic indicators of industrial and agricultural production, as well as the level of employment-based immigration and the behavior of world prices for hydrocarbons, allow distinguish symptoms of Arab disease – that analogizing an economic growth of certain countries with world price of hydrocarbons and features of incoming migrants' flow.

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