An Economic Blueprint for Assessing the Attractiveness and Suitability of Foreign Direct Investment in the Host Country

Richard J. Hunter, Jr.
Seton Hall University

Héctor R. Lozada
Seton Hall University

Gary H. Kritz
Seton Hall University

Attracting Foreign Direct Investment or FDI is both an "art" and a "science." In deciding upon a potential investment opportunity in a particular nation or region of the world, it is important to understand the strength of a domestic market and the factors that would make for a good investing opportunity. Some of these factors include national income, debt, currency issues, country classification, and the operational economic system—analyzed through both traditional and non-traditional measures. This article provides foundation information relating to these factors in the context of measuring and classifying economies and economic systems in relation to foreign direct investment.

Keywords: income, debt, human development, country classifications, transition economies

INTRODUCTION

Perhaps no factor has been as important in determining the success or failure of an economy as has been the development and nurturing of foreign direct investment (Hunter, 2019; Sabir, Rafique, and Abbas, 2019). Foreign direct investment, more commonly known as FDI, occurs with the purchase of the physical assets or a significant amount of the ownership (stock) of a company in a host country to gain a measure of management control (Li, Liao, and Sun, 2018). FDI is a necessary component in financing investment projects that are critical to the continued technological advancement and modernization of an economy where "host country" financing may not generally be available (Marandu and Ditshweu, 2018). From a venture capitalist's standpoint, deciding upon a potential investment opportunity in a country or region of the world entails understanding the different ways in which that investment may be undertaken. Additionally, the interrelation of four industry *globalization drivers— market, cost, government, and competition—* represents the necessary pre-conditions that would determine the potential success of efforts to attract FDI into the domestic market (Porter, 1986; Yip and Hult, 2012). We believe, however, that deciding on which to invest is both an "art" and a "science." Considering the economic strength of an intended market or region, that is, the factors that would make it an attractive investing opportunity is crucial. But there are other factors beyond economic indicators, such as national income, debt, and currency issues. This article provides foundation information relating to the expanded set of factors, including the how countries and economic systems may be classified so that we may develop better insight into the potential risks or prospective success associated with FDI.

TYPES OF FDI

There are three general types of FDI. Horizontal FDI occurs where funds are invested abroad in the same industry as the investor's core business. Vertical FDI occurs where an investment is made within the supply chain of the investor but not directly in the same industry. Vertical FDI may take the form of "backwards vertical integration" because the firm is purchasing a supplier, or potential supplier, in the supply chain. There is also "forwards vertical integration" where a firm invests in a foreign company that is further along in the supply chain. Finally, conglomerate FDI occurs where an investment is made in a completely different industry from that engaged in by the investor and is not linked in any direct way to the investor's business (Boyce, 2020).

Boyce (2020) cites both positives and negatives of foreign direct investment (see also Behrman, 1970; Behrman, 1984). Benefits of foreign direct investment include:

1. Boost to International Trade
2. Reduced Regional and Global Tensions
3. Sharing of Technology, Knowledge, and Culture
4. Diversification
5. Lower Costs and Increased Efficiency
6. Tax Incentives
7. Employment and Economic Boost

Disadvantages of foreign direct investment include:

1. Foreign Control
2. Loss of Domestic Jobs
3. Risk of Political or Economic Change

Rahman (2015) adds that Foreign Direct investment (FDI) is recognized as a powerful engine for economic growth. Rahman asserts that FDI enables capital-poor countries to build up physical capital, create employment opportunities, develop production capacity, enhance the skills of local labor through transfer of technology and managerial know-how, and to help integrate the domestic economy with the global economy.

In making an intelligent decision about a possible investment opportunity, it is important to understand how the economy of a potential "host" country measures up in terms of various economic factors. At the outset, a potential investor must be knowledgeable about the strength of the domestic market and the factors that would make for a solid investing opportunity—such as national income, debt, classification, currency issues, and the operational economic system—analyzed through both traditional and non-traditional measures, so as to ascertain the attractiveness (Simonetti, 2017) and suitability of a particular nation or region as a site for foreign investment.

Bhasin (2019) notes that the term "market attractiveness is used to refer to the various opportunities that are offered to any firm or any organization by the market, by acknowledging multiple factors that are present in the market itself." Bhasin (2019) cites such factors to include market size, the growth rate of the market, and "outside factors" such as access to raw materials, industry capacity, and competition. Simonetti (2017) adds that common factors may also include "the current margins in the market, [and] whether or not prices are increasing or decreasing…."

In terms of market suitability, Taylor (2017) notes that "management has the responsibility of determining the extent to which the products and services are suitable for international markets once it has confirmed that the firm is ready to internationalize based on the following criteria (Cavusgil, Knight && Riesenberger, 2011, p. 369):

- "First, products with the best international prospects sell well in the domestic market.

- Second, products or services with the best international anticipations cater to universal needs (see also Keillor, 2013United).
- Third, the product or service address is a need that firms in foreign markets do not provide adequately. In developing countries, a product or service may not exist; therefore, such markets provide a potential for generating international sales. Similarly, firms may take advantage of international markets where the demand is beginning to emerge.
- Fourth, the product or service addresses a new or emergent need in international markets."

TRADITIONAL METHODS OF MEASURING ECONOMIC PERFORMANCE

In determining both attractiveness and suitability, a firm must engage in solid economic analysis. There are various methods used by economists and businesses to evaluate the economic performance, status, growth, and well-being of a nation that may be the target of FDI.

Gross National Product (GNP)

GNP is the value of all goods and services produced by a country during a one-year period (both domestic and international activities are counted)—GNP measures the output of a country's residents regardless of the location of the underlying economic activity. Chappelow (2020) notes that "GNP is commonly calculated by taking the sum of personal consumption expenditures, private domestic investment, government expenditure, net exports and any income earned by residents from overseas investments, minus income earned within the domestic economy by foreign residents." Uncounted transactions may include unpaid household work; volunteer work; illegal activities (the so-called "underground economy); unreported cash transactions; and some barter transactions— also known by the term counter trade (see Bloomenthal, 2020). The World Bank and other international institutions have adopted the term GNI, Gross National Income, as a substitute for GNP (Pettinger, 2019).

Gross Domestic Product (GDP)

GDP is the value of all goods and services produced by the domestic economy during a one-year period. Kramer (2020) points out that since GDP represents the value of all goods and services produced over a specific time period within a country's border, it is a way of tracking the health of a country's economy. As such, economists and others can use GDP to determine whether an economy is growing or experiencing a recession. Investors, therefore, often use GDP to make investment decisions since a bad economy intimates lower earnings and lower stock prices (Kramer (2020).

GNP/GNI Per Capita: GNP/ GNI Divided by Population

Amadeo (2020) claims that effectively, GDP per capita is a metric for determining a country's economic output per each person living there. The fact that the GDP per capita divides a country's economic output by its total population makes it a good measurement of a country's standard of living, especially since it tells you how prosperous a country feels to each of its citizens."

The World Bank assigns the world's economies into four income groups — high, upper-middle, lower-middle, and low (see Prydz and Wadhwa, 2019). The World Bank bases this assignment on GNI per capita calculated using the Atlas method over a three-year average. The units for this measure and for the thresholds are current U.S. dollars.

Each year on July 1st, the World Bank will update the classifications. According to Serajuddin and Hamadeh (2020), the classifications change for two reasons:

1. In each country, factors such as income growth, exchange rates, structural and population changes influence the calculation of GNI per capita.
2. To keep the dollar thresholds, which separate the classifications "fixed in real terms," the World Bank will adjust the thresholds annually for inflation.

New thresholds are calculated at the start of the World Bank's fiscal year in July and remain fixed for 12 months regardless of any subsequent revisions to estimates. As of July 1, 2020, the new thresholds for classification by income are [these figures do not reflect the impact of COVID 19]:

Threshold	GNI/Capita (current US$)
Lower-middle income	< 1,036
High-income	1,036-4,045
Low-income	4,046 – 12,535
Upper-middle income	> 12,535

Tables 1 and 2 show current reclassifications based on the thresholds above.

TABLE 1
ECONOMIES MOVING TO A HIGHER CATEGORY

Economy	New group	Old group	GNI/Capita/$ (2019) (as of July 1, 2020)	GNI/Capita/$ (2018) (as of July 1, 2019)
Benin	Lower-middle income	Low income	1,250	870
Indonesia	Upper-middle income	Lower-middle income	4,050	3,840
Mauritius	High income	Upper-middle income	12,740	12,050
Nauru	High income	Upper-middle income	14,230	11,240
Nepal	Lower-middle income	Low income	1,090	960
Romania	High income	Upper-middle income	12,630	11,290
Tanzania	Lower-middle income	Low income	1,080	1,020

TABLE 2
ECONOMIES MOVING TO A LOWER CATEGORY

Economy	New group	Old group	GNI/Capita/$ (2019) as of July 1, 2020	GNI/Capita/$ (2018) as of July 1, 2019
Algeria	Lower-middle income	Upper-middle income	3,970	4,060
Sri Lanka	Lower-middle income	Upper-middle income	4,020	4,060
Sudan	Low income	Lower-middle income	590	1,560

Purchasing Power Parity (PPP)

As defined by the World Bank (cited in Van Blizen, 2015, p. 69), purchasing power parity is "[a] method of measuring the relative purchasing power of different countries' currencies over the same types of goods and services. Because goods and services may cost more in one country than in another, PPP allows us to make more accurate comparisons of standards of living across countries. PPP estimates use price comparisons of comparable items but since not all items can be matched exactly across countries and time, the estimates are not always 'robust.'"

Hall (2020) notes that PPP is used by macroeconomic analysts that compare the currencies of different countries through a "basket of goods" approach (see Prachi, 2020), allowing economists to compare economic activity, productivity, and standards of living between countries.

The "Big Mac" Index

As an adjunct to PPP analysis (Ong, 2003), the Economist magazine developed a quite novel (some say "lighthearted") way of measurement—the "Big Mac Index"—which evaluates the cost of a "Big Mac" in the local currency. The Index was invented by Pam Woodall in September of 1956 and is updated annually (see Clements and Si, 2016).

In technical terms, the Big Mac PPP exchange rate between two countries is obtained by dividing the price of a Big Mac in one country (in its currency) by the price of a Big Mac in another country (in its currency) (see Kuepper, 2019). This value is then compared with the actual exchange rate; if it is lower, then the first currency is under-valued (according to PPP theory) compared with the second, and conversely, if it is higher, then the first currency is over-valued. In this way, a business can determine the validity of exchange rates and also make a determination as to whether an investment would be potentially sensible or profitable in a given market based on the purchasing power in the economy.

In many nations where economic growth is dependent on exports, the value of the currency plays a key role in boosting economic growth and development. As a result, a government may wish to keep the currency undervalued (see e.g., Hayes, 2019a) for a variety of reasons:

- A weaker exchange rate makes exports more competitive and increases demand for exports
- Because of the change from the central planning model to a free market economy, (Hunter and Ryan, 1998) where state-owned industries (SOEs), dominate the economy, unemployment may remain a persistent problem. Growth in exports, most especially through expanded manufacturing, will play a key role in creating jobs that have been lost in the agricultural sector or in reduced employment in privatised state-owned industries. With diminished support for the unemployed and other "social safety net" programs, transition economies may be concerned about social unrest should unemployment rise in to unacceptable levels
- Reduction in "sovereign" or official debt burdens.

Many international organizations such as the World Bank and the International Monetary Fund base their activities, programs, lending, and the decision whether or not to fund specific developmental projects (World Bank, 2020) on the basis of the income level of an applicant nation. In addition, contributions to such organizations as the United Nations, the International Monetary Fund, or the World Bank are determined based on national income.

NON-TRADITIONAL METHODS OF MEASUREMENTS

There are several other measures of an economy that go beyond traditional income analysis. These measure attempt to discern differences beyond income, focusing instead on standards of living, general well-being, education, women and children's welfare, and health.

The Human Development Index (HDI)

The Human Development Index (HDI) is a comparative measure of well-being in terms of life expectancy, literacy, education, and standard of living for countries worldwide, especially measuring child welfare (see Thompson, 2017). Simon (2019) states that "the primary purpose of HDI is to provide a simple composite measure of human development to convince the public, policymakers and government leaders, and academicians that the level of development of a particular country should be measured not only by economic indicators but also by improvements in human well-being."

The HDI indicates whether a country will be classified as a developed, developing, or underdeveloped country and is also used to measure the impact of economic policies on quality of life issues. The index was developed in 1990 by Pakistani economist Mahbub ul Haq and has been used since 1993 by the United Nations Development Programme in its annual Human Development Report. The HDI measures the extent to which a government has been able to satisfy its people's basic needs and the extent to which these needs are addressed adequately across the entire population and not a select income group.

Indebtedness

Assessing the amount of debt that a country has incurred is an important factor in determining if a nation has the income necessary to attract and sustain foreign direct investment. Excessive debt may impact the ability of a country to provide basis services and critical infrastructure required to sustain FDI activities. The World Bank classifies member countries (208) and all other economies with populations of more than 30,000 according to indebtedness, using the value of debt service to GNP or the present value of debt service to exports. By way of comparison, at the height of the world-wide financial crisis in 2008, there were 44 severely indebted nations, 43 moderately indebted nations, and 60 less indebted. 62 nations had not been classified according to this index.

Severely indebted countries are also known by the acronym HIPCS, or Heavily Indebted Poor Countries, and have been the object of efforts to relieve or restructure debt (Daseking and Powell, 1999). The Irish singer Bono and the late John Paul II, supported by U.S. President George Bush, were especially active in efforts to reduce the indebtedness of the HIPCs through either debt reduction, rescheduling of debt, or outright debt forgiveness (The Economist, 2004).

The HIPC program was initiated by the International Monetary Fund, the World Bank, and several "multilateral, bilateral and commercial creditors" in 1996, following extensive lobbying by NGOs (non-governmental organizations) and other national and international civic and religious organizations and bodies. According to the World Bank "the structured program was designed to ensure that the poorest countries in the world are not overwhelmed by unmanageable or unsustainable debt burdens. It reduces the debt of countries meeting strict criteria," (cited by Mutisya, 2020). Apodaca and Blackmon (2016, p. 1) noted that the HIPC represented a "fundamental shift in International Monetary Fund and World Bank programs. The HIPC initiative was designed to redirect resources (through bilateral and multinational debt forgiveness) that had previously serviced a country's debt towards country specific poverty reduction programs aimed at social services such as health care and education."

Although not without some criticisms (see, e.g., Hall, Karadas, and Schlosky, 2016), the HIPC and related Multilateral Debt Relief Initiative (MDRI) programs (Ruckert, 2015) have relieved 36 participating countries of $99 billion in debt by providing debt relief and low-interest loans to cancel or reduce external debt repayments to realistic and sustainable levels (see Gill and Pinto, 2005). To be considered for the initiative, countries must face an unsustainable debt burden which cannot be managed by traditional means. Assistance is conditional on the national government meeting a range of economic, management, and performance targets, as discussed below. At the time of the creation of the initiative, HIPC considered debt unsustainable when the ratio of debt-to-exports exceeded 200-250% or when the ratio of debt-to-government revenues exceeded 280%.

To be eligible for the HIPC Initiative a country must:

- "Face unsustainable debt situation after the full application of the traditional debt relief mechanisms (such as the application of Naples terms under the Paris Club agreement).
- Be only eligible for highly concessional assistance from the International Development Association (IDA) and from the IMF's Poverty Reduction and Growth Trust (PGRT).
- Have established a track record of reform and sound policies through IMF and World Bank supported programs.
- Establish a track record of reform and develops a Poverty Reduction Strategy Paper (PRSP) that involves civil society participation" (World Bank, 2018).

Thirty-nine countries are currently eligible for HIPC debt relief. Countries eligible for assistance through HIPC must pass through two "milestones" or phases. The first is the "decision point," at which the World Bank and the IMF formally determine whether the country is eligible for debt relief. Ruckert (2015) notes: "After three years of compliance with World Bank and IMF programs, observance of all trigger conditions, and the implementation of a Poverty Reduction Strategy Paper (PRSP), countries reach the decision point." Countries at this point have met stringent criteria, including income thresholds. The international community then commits to a level of debt relief, and the country may begin receiving debt relief at this point.

The second milestone or phase is the "completion point," at which countries receive the balance of the debt relief that the international community committed to at the decision point. To reach this point, the countries must have achieved certain reforms and taken concrete steps to reduce poverty through debt reduction.

To date, 37 countries – 31 of them in Africa – have received the full amount of debt-relief for which they were eligible through HIPC and the MDRI.

- **Post-Completion-Point Countries** (36): These countries have received the full amount of debt relief for which they are eligible under HIPC and MDRI.

Afghanistan	Ethiopia	Mauritania
Benin	The Gambia	Mozambique
Bolivia	Ghana	Nicaragua
Burkina Faso	Guinea	Niger
Burundi	Guinea-Bissau	Rwanda
Cameroon	Guyana	Sao Tome and Principe
Central African Republic	Haiti	Senegal
Chad	Honduras	Sierra Leone
Comoros	Liberia	Tanzania
Republic of Congo	Madagascar	Togo
Democratic Republic of Congo	Malawi	Uganda
Cote d'Ivoire	Mali	Zambia

As of March 2020, the IMF and the World Bank determined that Somalia had taken the necessary steps to begin receiving debt relief.

- **Interim Countries** (currently ***none***): These countries are between the decision point and the completion point. A country has received some debt relief but has not completed the program.
- **Pre-Decision Point Countries** (2)**:** These countries either have not met the decision-point qualifications or have not taken steps to enter the process, often because of ongoing conflict. **Eritrea** and **Sudan** are pre-decision point countries and are potentially eligible for debt relief but have not yet begun the process.

The World Bank (2018) remarks that as the HIPC program has matured, the international community has focused on strengthening the links between debt relief and poverty-reduction efforts. Because of this, debt relief is linked to countries' progress in implementing Poverty Reduction Strategies (PRS) and macroeconomic and structural reform programs. Consequently, debt relief has delivered financial benefits while strengthening countries' reform efforts. However, several challenges remain to ensure that debt burdens do not return to unsustainable levels. These include:

- Establishing a track record of reform in the remaining three countries potentially eligible for HIPC; some of these countries are affected by conflict, and this has led to problems of protracted external arrears.
- Strengthening management of debt and public finances in all countries.
- Ensuring full participation by creditors.

According to the World Bank (2018), outside debt relief, long-term debt sustainability requires efforts by borrowers, lenders, and donors to promote sensible borrowing, suitably concessional finance, sustained economic growth, diversified exports, and greater access to markets in developed countries. To provide assurances that a host country that sustained a large amount of debt can provide adequate support to a potential investor will require demonstrating an ability to manage its debt either through traditional means or through a program such as the HIPC.

The London and Paris Clubs

To successfully manage debt and to assuage concerns regarding the viability of an economy, the assistance of two entities had to be secured (see Viterbo, 2020). The London Club is an informal group of private creditors who operate internationally. The first meeting of the London Club took place in 1976 in response to Zaire's debt payment problems (see Rahnama-Moghadam, Dilts, and Samavati, 1998). Some prominent members of the London Club have included: Salomon Brothers, BFG Bank, Commerz Bank, Swiss Bank Corp., Lloyd's Bank, BNP, Standard Chartered, Westdeutsche Landesbank, Society General, Bank of America, and Dresdner Bank.

Weiss (2013) states that the Paris Club is a voluntary, informal group of creditor nations, who meet approximately 10 times per year, to provide debt relief to developing countries. Members of the Paris Club agree to renegotiate and/or reduce official debt owed to them on a case-by-case basis. The United States is a key Paris Club Member and Congress has an active role in both Paris Club operations and U.S. policy regarding debt relief overall. The Federal Credit Reform Act of 1990 stipulates that Congress must be involved in any official foreign country debt relief and notified of any debt reduction and debt renegotiation (Weiss, 2013)

There are currently 22 Permanent Members of the Paris Club:

- Australia
- Austria
- Belgium
- Brazil
- Canada
- Denmark
- Finland
- France
- Germany
- Ireland
- Israel
- Italy
- Japan
- Netherlands
- Norway
- Russia
- South Korea
- Spain
- Sweden
- Switzerland
- United Kingdom
- United States

Weiss (2013) outlines the main components of the five Paris Club 'principles' which stipulate the general terms of all Paris Club treatments. They are:

(1) Paris Club decisions are made on a *case-by-case* basis;
(2) All decisions are reached by full *consensus* among creditor nations;
(3) Debt renegotiations are applied only for countries that clearly need debt relief, as evidenced by implementing an International Monetary Fund (IMF) program and its requisite economic policy *conditionality*;
(4) *Solidarity* is required in that all creditors will implement the terms agreed in the context of the renegotiations; and
(5) The Paris Club preserves the *comparability of treatment* between different creditors. This means that a creditor country cannot grant to a debtor country a treatment on more favorable terms than the consensus reached by Paris Club members.

There are four types of Paris Club treatments depending on the economic circumstances of the debtor country. In increasing degree of concessionality:

- **Classic Terms**, the standard terms available to any country eligible for Paris Club relief;
- **Houston Terms**, for highly-indebted lower to middle-income countries;
- **Naples Terms**, for highly-indebted poor countries; and
- **Cologne Terms**, for countries eligible for the IMF and World Bank's Highly Indebted Poor Countries Initiative (HIPC). Classic and Houston terms offer debt rescheduling while Naples and Cologne terms provide debt reduction (Cheng. Diaz-Cassou, and Erce, 2017).

Hayes (2019b) reports that "since 1956, the Paris Club has signed 433 agreements with 90 different countries covering over $583 billion."

Other Measures of Growth and Development

There are many other measures of growth and development such as the Human Poverty Index (HPI) (Krishnaji, 1997), the Gender Related Development Index (GDI) (which captures inequalities between men and women), and the Gender Empowerment Measure (GEM) (measuring whether and to what extent women can take part fully in economic and political life in a nation) (see Schuler, 2007).

In addition, the "Millennium Development Goals" (MDGs) (World Health Organization, 2020) were enunciated by the United Nations in 2000, and included:

1. Eradicating extreme poverty and hunger;
2. Achieving universal primary education;
3. Reducing child mortality;
4. Improving in maternal health;
5. Combating HIV/AIDS, malaria, and other diseases;
6. Ensuring environmental sustainability; and
7. Developing a global partnership for development.

In 2007, The United Nations General Assembly approved four additional "targets" to the MDGs. McNaughton and Frey (2010, p. 303) noted the "original MDGs and targets did not recognize full employment and decent work for all as a key part of the framework for poverty elimination." In October 2007, however, "the UN General Assembly approved four new targets to the MDGs. One of the four new targets is to "achieve full and productive employment and decent work for all, including women and young people" (MacNaughton and Frey, 2010, p. 303).

While not achieving universal success in all areas, the MDGs did serve to focus attention on these critical international areas. The final MDG Report (United Nations Development Programme, 2017) found that the 15-year effort had produced the most successful anti-poverty movement in history. These were its findings:

- The number of people living in extreme poverty has declined by more than half since 1990.
- The proportion of undernourished people in the developing regions has fallen by almost half.
- The primary school enrolment rate in the developing regions has reached 91 percent, and many more girls are now in school compared to 15 years ago.
- Remarkable gains have also been made in the fight against HIV/AIDS, malaria and tuberculosis.
- The under-five mortality rate has declined by more than half, and maternal mortality was down 45 percent worldwide.
- The target of halving the proportion of people who lack access to improved sources of water was also met.

At the expiration of the initial fifteen-year period, the United Nations established The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, which are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity," (see Atapattu, 2019). These 17 Goals are designed to build on the successes of the Millennium Development Goals, while including "new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The goals are interconnected – often the key to success on one will involve tackling issues more commonly associated with another. The 17 sustainable development goals (SDGs) are:

- GOAL 1: No Poverty
- GOAL 2: Zero Hunger
- GOAL 3: Good Health and Well-being
- GOAL 4: Quality Education
- GOAL 5: Gender Equality
- GOAL 6: Clean Water and Sanitation

- GOAL 7: Affordable and Clean Energy
- GOAL 8: Decent Work and Economic Growth
- GOAL 9: Industry, Innovation, and Infrastructure
- GOAL 10: Reduced Inequality
- GOAL 11: Sustainable Cities and Communities
- GOAL 12: Responsible Consumption and Production
- GOAL 13: Climate Action
- GOAL 14: Life Below Water
- GOAL 15: Life on Land
- GOAL 16: Peace and Justice Strong Institutions

Achieving success in debt reduction and reaching the goals enunciated in the MDGs and SDGs may be critical in determining whether the poorest and least-developed nations of the world will be successful in creating a business environment that is conducive to their growth and economic development. The perception and reality of their country classifications may provide the final piece of the decision-making progress to go forward with foreign investment.

CLASSIFYING COUNTRIES

FDI may prove to be a better "fit" for a nation depending upon the economic realities indicated in its economic classification. The most traditional classification of countries in terms of their economic development is as follows:

Developed Countries

Developed countries (Surbhi, 2015) are often those that are highly industrialized and highly efficient; possess the latest technological advances in their manufacturing and service sectors; and whose people enjoy a high quality of life, measured in education, literacy, and health care. The United Nations notes that most developed countries support aid programs for poorer nations. Developed countries are also known as Advanced Countries or "first world countries," as they are generally self-sufficient nations. The category of developed countries generally includes Australia, Canada, New Zealand, Great Britain, the United States, "Western European" nations, sometimes called the "Euroland" region or countries which belong to the European Union (EU), many of which have adopted the Euro as their national unit of currency. [See Table 3. Please note that there are several overlaps among countries in this and ensuing tables depending on the manner of classification and the source of the classification.]

TABLE 3
DEVELOPED COUNTRIES

EU-15		**Europe**		**Asia and Pacific**
Austria	Italy	Bulgaria	Lithuania	Australia
Belgium	Luxembourg	Croatia	Malta	Japan
Denmark	Netherlands	Cyprus	Norway	New Zealand
Finland	Portugal	Czech	Poland	
France	Spain	Republic	Romania	**North America**
Germany	Sweden	Estonia	Slovakia	Canada
Greece	United	Hungary	Slovenia	United States
Ireland	Kingdom*	Iceland	Switzerland	
		Latvia		

The OECD

Thirty-seven "highly developed nations" belong to the OECD—the Organization for Economic Cooperation and Development—that "discuss and develop economic and social policy. OECD members are typically democratic countries that support free-market economies" (Kenton, 2020).

The OECD was established on Dec. 14, 1960, by 18 European nations, plus the United States and Canada. The organization has expanded over time to include members from South America and the Asia-Pacific region. The organization is headquartered in the Chateau de la Muette in Paris, France. According to Kenton (2020), "Its stated goals include fostering economic development and cooperation, fighting poverty, and ensuring that the environmental impact of growth and social development is considered when developing economic policy. Over the years, it has dealt with a range of issues, including raising the standard of living in member countries, contributing to the expansion of world trade, and promoting economic stability." [See Table 4.]

TABLE 4
OECD MEMBER COUNTRIES

Australia	France	Luxembourg	Spain
Austria	Germany	Mexico	Sweden
Belgium	Greece Hungary	Netherlands	Switzerland
Canada	Iceland	New Zealand	Turkey
Chile	Ireland	Norway	United Kingdom
Czech Republic	Israel	Poland	United States
Denmark	Italy	Portugal	
Estonia	Japan	Slovak Republic	
Finland	Korea	Slovenia	

Other Groupings of Developed Countries

There are also less formal, but nonetheless important voluntary groupings of countries, generally based on shared economic and political goals:

The member states of the "Group of Seven" or G7 are the United States, United Kingdom, France, Canada, Italy, Japan and Germany. The G7 represents the world's largest industrialized economies. The G7's finance ministers and heads of state meet periodically to set international economic policy.

Some of the nations in the G7 are also member states of the European Union, which participates in many of its initiatives as a "standalone" body. Russia was admitted to the group, which then became known as the G8, in 1998 as a full member, but was later expelled over its annexation of the Crimean Peninsula from Ukraine in 2014 (see Sommerfeldt, 2019). Despite President Trump's attempts to have Russia re-join the meetings, other member states (most notably Germany and Canada) have announced their strong opposition to such a move (Nienaber, 2020). As a result of the rejection of his proposal, President Trump announced that the meeting would be postponed until "some time after the election."

The "Group of Ten" (G-10 or G10) refers to the group of countries that agreed to participate in the General Arrangements to Borrow (GAB), an agreement to provide the International Monetary Fund (IMF) with additional funds in order to increase its lending capacity. The G10 is comprised of 11 industrial countries (Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom, and the United States). The Ministers of Finance and Central Bank Governors of the Group of Ten usually meet twice a year in connection with the spring meeting of the Interim Committee of the International Monetary Fund.

The "Group of 20," commonly referred to as the G20, is an international association of 19 states and the supranational European Union. The group meets annually, with government leaders and central bank governors from the respective countries coming together to discuss economic matters and global financial stability. The membership of the G20 includes Argentina, Australia, Brazil, Canada, China, the European Union, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South

Korea, Turkey, the United Kingdom, and the United States. The G20 is perhaps the most important of all of the voluntary groupings of nations. As a collective body, the G20 economies account for around 85 percent of gross world product (GWP), the combined gross national product of all the countries in the world. Their members account for 80 percent of world trade and two-thirds of the world's population. The African Union (AU), Asia-Pacific Economic Cooperation (APEC), International Monetary Fund (IMF), United Nations (UN), World Bank, World Trade Organization (WTO) and Spain are among these permanent invited guests of the G20.

Newly Industrialized Countries (NICs)

NICs are located primarily in Asia (the Asian "tigers"—Hong Kong, South Korea, Singapore, and Taiwan) and include most nations in Latin America. NICs have recently increased their national industrial production and exports derived from industrial operations and manufacturing and are the frequent objects of foreign direct investment (FDI) (Majaski, 2019). The category of NIC includes South Africa, Brazil, China, India, Malaysia, Mexico, Thailand, Argentina, Chile, Indonesia, and the Philippines. More recently, the NICS also include the Czech Republic, Hungary, Poland (which achieved developed nation status in 2018), Slovenia, Russia, and Slovakia (so-called "transition economies"), Turkey, and Vietnam. In some publications (for example, The Economist), the last group of nations is termed as the group of "emerging markets"—nations right on the "cusp of industrialization" (Hunter, Lozada, and Shannon, 2018). In recent times, the grouping termed as BRICS, composed of Brazil, Russia, India, China, and South Africa, has also come into existence (Corbett and Hunter, 2019), largely out of unhappiness with the Bretton Woods System. [See Table 5.]

TABLE 5
NEWLY INDUSTRIALIZED COUNTRIES (NICS)

Brazil	India	Malaysia	Philippines	Thailand
China	Indonesia	Mexico	South Africa	Turkey

Developing Countries

Developing countries are often characterized by poor infrastructure, high debt, and produce the lowest incomes. They are often called "less developed countries" or LDCs. [Unfortunately, in the 1950s-1970s, these nations were frequently derisively called "third world" nations (Rex, 2019).] LDCs include most of the countries of Africa, the Middle East, many of the states of the former Soviet Union, and several nations in Asia. Characteristics of many developing countries may include:

1. Large agrarian population;
2. Densely populated cities;
3. Plentiful supply of unskilled labor;
4. Lack of core regard for environmental concerns;
5. Existence of organized crime;
6. Inadequate sanitation and water systems;
7. Overpopulation;
8. Hyperinflation;
9. Currency repatriation difficulties;
10. Lack of foreign exchange and foreign investment;
11. Threats of nationalization and expropriation to property; and
12. Official corruption and cronyism.

FDI is especially significant for developing countries (Harish and Plouffe, 2018). Not only can FDI add to capital formation and the creation of needed infrastructure, it also serves to transfer "technology, skills, innovative capacity, and organizational and managerial practices between locations, as well as of accessing international marketing networks," (Mallampally and Sauvant, 1999) (See also Baks, 1995). As a result of FDI, these assets can be transferred to the domestic economy of a host country. [See Table 6.]

Countries and Regions That Are Graduated Developed Economies

The following, including the Four Asian Tigers and new Eurozone European countries, were considered developing countries and regions until the '90s, and are now listed as advanced economies (developed countries and regions) by the IMF.

- Cyprus (since 2001)
- Hong Kong (since 1997)
- Lithuania (since 2015)
- Slovakia (since 2009)
- Taiwan (since 1997)
- Czech Republic (since 2009, since 2006 by World Bank)
- Israel (since 1997)
- Malta (since 2008)
- Slovenia (since 2007)
- Estonia (since 2011)
- Latvia (since 2014)
- Singapore (since 1997)
- South Korea (since 1997)

TABLE 6
DEVELOPING COUNTRIES

Afghanistan	Costa Rica	Lesotho	Rwanda
Albania	Côte d'Ivoire	Liberia	Saint Kitts and Nevis
Algeria	Croatia	Libya	Saint Lucia
Angola	Djibouti	Madagascar	Saint Vincent and the Grenadines
Antigua and Barbuda	Dominica	Malawi	Samoa
Argentina	Dominican Republic	Malaysia	São Tomé and Príncipe
Armenia	Ecuador	Maldives	Saudi Arabia
Aruba	Egypt	Marshall Islands	Senegal
Azerbaijan	El Salvador	Mali	Solomon Islands
Bahamas	Equatorial Guinea	Mauritania	Serbia
Bahrain	Eritrea	Mauritius	Seychelles
Bangladesh	Eswatini (Swaziland)	Mexico	Sierra Leone
Barbados	Ethiopia	Federated States of Micronesia	Somalia
Belarus	Fiji	Moldova	South Africa
Belize	Gabon	Mongolia	South Sudan
Benin	The Gambia	Montenegro	Sri Lanka
Bhutan	Georgia	Morocco	Sudan
Bolivia	Ghana	Mozambique	Suriname
Bosnia and Herzegovina	Grenada	Myanmar	Syria
Botswana	Guatemala	Namibia	Tajikistan
Brazil	Guinea	Nauru	Tanzania
Brunei	Guinea-Bissau	Nepal	Thailand
Bulgaria	Guyana	Nicaragua	Turkmenistan
Burkina Faso	Haiti	Niger	Tuvalu
Burundi	Honduras	Nigeria	Uganda
Cambodia	Hungary	North Macedonia	Ukraine
Cameroon	India	Oman	Uruguay
Cape Verde	Indonesia	Pakistan	Uzbekistan
Central African Republic	Iran	Palau	Vanuatu
Chad	Iraq	Panama	Venezuela
China	Jamaica	Papua New Guinea	
	Jordan	Paraguay	
	Kazakhstan		

Chile	Kenya	Peru	Vietnam
Colombia	Kiribati	Philippines	Yemen
Comoros	Kosovo	Poland	Zambia
Democratic Republic of the Congo	Kuwait	Qatar	Zimbabwe
	Kyrgyzstan	Romania	
	Laos	Russia	
Congo, Republic of	Lebanon		

Source: International Monetary Fund, World Economic Outlook Database, October 2018

Mallampally and Sauvant (1999) assert that the greater the supply and distribution links between foreign affiliates and domestic firms, and the stronger the capabilities of domestic firms to capture spillovers (that is, indirect effects) from the presence of and competition from foreign firms, it is more likely that the attributes of FDI that enhance productivity and competitiveness will spread.

Transition Economies

Transition economies have been the target of significant FDI activity in the past thirty years as they have emerged from state control. However, with the beginning of the financial crisis in 2008, "financial institutions from developed countries stricken by the crisis, started massive withdrawal of capital from their affiliates located in emerging market economies, which caused a negative influence over foreign exchange reserves and national currencies, during and after the global financial crisis" (Geogrieva and Temjanovski, 2013). Based on the Polish model (Hunter and Ryan, 2011), what were some of the common activities undertaken by transition economies in order to prepare for the infusion of FDI into their economies?

- *Macroeconomic stabilization* to reduce huge budget deficits and create and expand credit;
- *Liberalization of economic activity* to reflect non-state interventions into supply and demand in order to reduce the influence of the *command-and-control economy*, and the elimination of most state subsidies;
- *Legalization of private enterprises and the creation of individual property rights;*
- *Privatization* of state-owned enterprises (SOEs);
- *Removal of trade and investment barriers;*
- *Creation of fully convertible currencies* (abolishing the "black market" economy and curtailing the unofficial "*dollarization*" of the economy);
- *Development of an adequate social welfare system* ("social safety net") to ease the transition process (including reforms in the pension system, funding worker training programs and unemployment insurance, and undertaking reforms in education and the medical/health care systems); and
- Gaining external assistance and support, from the World Bank, the IMF, and the London and Paris Clubs (Hunter and Ryan, 1998; Hunter and Ryan, 2011).

Can the situation described by Georgieva and Temjanovski (2013) be reversed? In deciding whether to pursue investments in transition economies, an investor may face a myriad of obstacles which can impact the possible success of an investment. There were and may continue to be major obstacles faced by transition (and many developing) economies as well:

- Lack of internal management expertise and experience;
- Shortage of capital, answering the question: ***"How to create capitalism in a nation where there is neither capital nor capitalists?"*** (see Mah and Tamulaitis, 2000);
- Resistance to foreign ownership or management;
- Environmental degradation prevalent in the former system; and
- Lack of hope for "brightening prospects" which has taken the form of a massive "brain drain" of significant portions of its citizens. [See Table 7.]

TABLE 7
ECONOMIES IN TRANSITION

Albania	Georgia	Montenegro	Tajikistan
Bosnia and Herzegovina	Kazakhstan	North Macedonia	Turkmenistan
Armenia	Kyrgyzstan	Russian Federation	Ukraine
Azerbaijan	Republic of Moldova	Serbia	Uzbekistan
Belarus			

How well transition economies can identify and then deal with these and other issues will determine their long-range success in attracting significant amounts of FDI.

CONCLUDING OBSERVATIONS

A country's stage of development matters. Countries not only differ in geographic and population sizes, but also in their approaches to economic development. As we see it, venture capitalists, academicians and transnational regulatory and cooperative institutions spend time and effort classifying countries because we believe that meaningful, relevant, and easy to understand comparisons serve to facilitate investment or financial assistance decisions. From a trade standpoint, economic indicators such as the per capita income of local citizens provide an indication that they can afford the products and services it is that we are considering offering. From a consumption standpoint, understanding social indicators of development like the Human Development Index provide us with an entry into the market's willingness to buy or interest in the products and/or services that we offer.

For example, dividing the GNI by the population of the country to arrive at the GNI per capita, and then converting the value into US dollars or Euros allows assessments regarding average income levels between countries. It has become obvious that income levels and the ability to manage debt are important factors in attracting FDI. Additionally, it is clear that some nations have a "leg up" on others in their ability to grow economically based on factors such as GDP and GDP growth, and other aspects associated with moving from a "closed system" of central planning to one based at least partially on market principles. Combining economic and social indicators may provide us with a better picture of income distribution and the pattern of expenditures, and, therefore, a consideration of the potential success or failure of a prospective investment.

Our goal here was to provide a blueprint on the importance and prospective use of various economic and social indicators when evaluating the timing and potential benefits of a prospective investment in a country. The preconditions to successful FDI activities affect all nations in one form or another as they struggle to overcome significant obstacles and achieve success for their citizens and at the same time assure success for their investors. Country factors such as infrastructure and access to raw materials, communication and transport links, and skills and wage costs of labor contribute to the success of failure of FDI. We advocate that before we get to evaluating these factors more in depth, the variables associated with a country's economic viability that we have spotlighted here serve as an entry to studying whether an investment would be of interest to venture capitalists.

ACKNOWLEDGEMENT

The authors thank the Institute for International Business at the Stillman School of Business, Seton Hall University for its support of this research.

REFERENCES

Amadeo, K. (2020, July 30). *What is GDP per capita: GDP per capita explained*. The Balance. Retrieved from https://www.thebalance.com/gdp-per-capita-formula-u-s-compared-to-highest-and-lowest3305848,

Apodaca, C., & Blackmon, P. (2016). Does the heavily indebted poor countries (HIPC) initiative realize its goal of poverty alleviation? *Journal of Poverty Alleviation & International Development*, *7*(1), 1-37.

Atapattu, S. (2019). From "our common future" to sustainable development goals: Evolution of sustainable development under international law. *Wisconsin International Law Journal*, *36*, 215-246.

Baks, M. (1995). Technology transfers & developing countries. *Georgetown International Law Review*, *7*(3), 901-912.

Behrman, J.N. (1970). *National interests & the multinational enterprise*. Englewood Cliffs, N.J.: Prentiss-Hall.

Behrman, J.N. (1984). *Industrial policies: International restructuring & transnationals*. Lexington, Ky.: Lexington Books.

Bhasin, H. (2019, April 24). *What is market attractiveness? Importance, examples & factors*. Marketing 91. Retrieved from https://www.marketing91.com/market-attractiveness/

Bloomenthal, A. (2020). *Underground economy*. Investopedia. Retrieved April 30, 2019, from https://www.investopedia.com/terms/u/underground-economy.asp

Boyce, P. (2020, July 18). *What is foreign direct investment?* Boyce Wire. Retrieved from https://boycewire.com/foreign-direct-investment-definition/

Cavusgil, S.T., Knight, G., & Riesenberger, J. (2011). *International business: The new realities* (3rd ed.). New York: Pierson Higher Education.

Chappelow, J. (2020, March 20). *Gross national product*. Investopedia. Retrieved from https://www.investopedia.com/terms/g/gnp.asp

Cheng, G., Diaz-Cassou, J., & Erce, A. (2017). *From debt collection to relief provision: 60 years of official debt restructuring through the Paris Club*. European Stability Mechanism Working Paper No. 20. Retrieved from https://www.esm.europa.eu/publications/debt-collection-relief-provision-60-years-official-debt-restructurings-through-paris

Clements, K.W. & Si, J. (2016). Simplifying the Big Mac Index. *Journal of International Financial Management & Accounting*, *28*(1), 86-99.

Corbett, S., & Hunter, R.J. (2019). An essay on the BRICs: "Paper tiger" or genuine threat to U.S. & western interests? *Global Journal of Economics & Finance*, *3*(2). Retrieved from gjefnet.com/images/Vol3No2/2.pdf

Daseking, C., & Powell, R. (1999). *From Toronto terms to the HIPC initiative: A brief history of debt relief for law-income countries*. IMF Working Papers 99/142. Retrieved from https://ideas.recep.org/p/imf/imfwpa/99-142.html

Georgieva, V., & Temjanovski, R. (2013). Capital flows in emerging & transition economies during & after the global financial crisis in 2008. *Balkan Social Science Review*, *3*(1), 71-82.

Gill, I., & Pinto, B. (2005). *Public debt in developing countries: Has the market-based model worked*? World Bank Policy Research Working Papers. Retrieved from https://elibrary.worldbank.org/doi/abs/10.1596/1813-9450-3674

Hall, J.C., Karadas, S., & Schlosky, M.T.T. (2016). *Is there moral hazard in the heavily indebted poor countries (HIPC) initiative debt relief process?* West Virginia University Working Paper, pp. 16-24. Retrieved from https://business.wvu/graduate-degree/phd-economics/working-papers

Hall, M. (2020, July 26). *What is purchasing power parity (PPP)?* Investopedia. Retrieved from https://www.investopedia.com/updates/purchasing-power-parity-ppp/

Harish, N., & Plouffe, M. (2018). *The political economy of foreign investment to developing countries*. OSF Preprints. Retrieved from https://doi.org/10.31219/osf.io/chzpq

Hayes, A. (2019a, July 6). *3 reasons why countries devalue their currency*. Investopedia. Retrieved from https://www.investopedia.com/articles/investing/090215/3-reasons-why-countries-devalue-their-currency.asp
Hayes, A. (2019b, July 6). *What is the Paris club?* Investopedia. Retrieved from https://www.investopedia.com/terms/p/parisclub.asp
Hunter, R.J. (2019). A comprehensive view of Poland & foreign direct investment: Pathway to development or flashpoint to conflict within the European Union? *Global Journal of Economics & Finance*, *3*(1). Retrieved from http://gjefnet.com/images/Vol3No1/download.php?f=1.pdf
Hunter, R.J., & Ryan, L.V. (1998). *From autarchy to market: Polish economics & politics 1945-1995*. Westport, Conn.: Praeger.
Hunter, R.J., & Ryan, L.V. (2011). Reflections on twenty years of political & economic change in Poland. *Global Economy Journal*, *11*(1). Retrieved from https://www.worldscientific.com/doi/10.2202/1524-5861.1727
Hunter, R.J., Lozada, H., & Shannon, J.H. (2018). A primer on basic concepts in international economics: Measuring & classifying countries & evaluating strategies employed by companies engaged in the global market. *International Journal of Economics & Financial Research*, *4*(5), 115-124.
Keillor, B.D. (2013). *Understanding the global market: Navigating the international business environment*. Santa Barbara, Cal.: Praeger.
Kenton, W. (2020, July 26). *Organisation for economic cooperation & development (OECD)*. Investopedia. Retrieved from https://www.investopedia.com/terms/o/oecs.asp
Kramer, L. (2020, June 1). *What is GDP & why is it so important to economists & investors*? Investopedia. Retrieved from https://www.investopedia.com/ask/what-is-gdp-why-its-important-to-economists-investors/
Krishnaji, N. (1997). Human poverty index: A critique. *Economic & Political Weekly*, *32*(35), 2202-2205.
Kuepper, J. (2019, November 26). *How the Big Mac index works*. The Balance. Retrieved from https://www.thebalance.com/what-is-the-big-mac-indexi-1978992
Li, B., Liao, A., & Sun, L. (2018). Evolution of FDI flows in the global network: 2003-2012. *Applied Economics Letters*, *25*(20), 1440-1446.
MacNaughton, G., & Frey, D.F. (2010). Decent work, human rights, & the millennium development goals. *Hastings Race & Poverty Law Journal*, *7*, 303-352.
Mah, J.S., & Tamulaitis, D. (2000). Investment incentives in the Central & Eastern European transition economics. *Journal of World Investment*, *1*, 225-241.
Majaski, C. (2019, April 26). *Newly industrialized-country*. Investopedia. Retrieved from https://www.invesopedia.com/terms/n/newly-industrialized-country.asp
Mallampally, P., & Sauvant, K.P. (1999). Finance & Development. *International Monetary Fund*, *36*(1). Retrieved from https://www.imf.org/external/public/ft/fandd/1999/03/mallampa.htm
Marandu, E.E., & Ditshweu, T. (2018). An overview of the key theories of foreign direct investment: The way forward. *Advances in Social Sciences Research Journal*, *5*(12). Retrieved from http://116.203.177.230/index/php/ASSRJ/article/view/5741
Mutisya, K. (2020, February 14). *Somalia: World Bank, IMF, grant Somalia debt relief*. All Africa. Retrieved from https://allafrica.com/stories/202002150188.html
Nienaber, M. (2020, July 27). *Germany rejects Trump's proposal to let Russia back into G7*. Sydney Morning Herald. Retrieved from https://www.smh.com.au/world/europe/germany-rejects-trump-s-proposal-to-let-russia-back-into-g7
Ong, L. (2003). *The Big Mac index: Applications of purchasing power parity*. London: Palgrave Macmillan.
Pettinger, T. (2019, July 8). *Difference between GNP, GDP & GNI*. Economics Help. Retrieved from https://www.economicshelp.org/blog/3491/economics/difference-between-gnp-gdp-and-gni/
Porter, M.E. (1986). Changing patterns of international competition. *California Management Review*, *28*(2), 9-40.

Prachi, M. (2020). *Purchasing power parity (PPP)*. The Investor's Book. Retrieved June 8, 2020, from https://theinvestorsbook.com/purchasing-power-parity-ppp.html

Prydz, E.B., & Wadhwa, D. (2019, September 9). *Classifying countries by income*. World Bank. Retrieved from http://datatopics.worldbank.org/world-development-indicators/stories/the-classification-of-countries-by-income

Rahman, F. (2015, March 11). *The importance of FDI: Constraints and potential*. The Daily Star. Retrieved from https://www.thedailystar.net/suplements/24th-anniversary-the-daily-star-part-2/the-importance-fdi-constraints-ad-potential

Rahnama-Moghadam, M., Dilts, D.A., & Samavati, H. (1998). The clubs of London and Paris Dispute *Resolution Journal*, *53*(4), 71-74.

Rex, O.C. (2019). Debt crisis and the third world: A conscientious analysis. *International Journal of Public Finance, Law and Taxation*, *3*(1). Retrieved from http://management.eurekajournals.com/index.php/IJPFLT/article/view/363

Ruckert, A. (2015, August 18). *From the heavily indebted poor country (HIPC) to the multilateral debt relief initiative (MDRI): Inclusive neoliberalism and accumulation by subsidization*. Retrieved from http://www.academia.edu/download/34870108/Ruckert.pdf

Sabir, S., Rafique, A., & Abbas, K. (2019). Institutions and FDI: Evidence from developed and developing countries. *Financial Innovation*, *5*(8). Retrieved from https://ideas.repec.org/a/spr/fininn/v5y2019i1d10.1186_s40854-019-0123-7.html

Schuler, D. (2007). The uses and misuses of the gender-related development index and gender-empowerment measurement: A review of the literature. *Journal of Human Development and Capabilities*, *7*(2), 161-181.

Serajuddin, U., & Hamadeh, N. (2020, July 1). *New world bank country classifications by income level*. World Bank. Retrieved from https://blogs.worldbank.org/opendata/new-world-bank-country-classifications-income-level-2020-2021

Simon, K. (2019, December 23). *Human development index: Three indicators*. Profolus. Retrieved from https://www.profolus.com/topics/human-develoepnt-index-three-idicators/

Simonetti, B. (2017, September 26). *What is market attractiveness?* Biz Fluent. Retrieved from https://www.bizfluent.com.info-8767854-market-attractiveness.html

Sommerfeldt, C. (2019, August 20). *Trump claims Russia was booted from G7 because Putin 'outsmarted' Obama, says Kremlin should rejoin the pact*. New York Daily News. Retrieved from http://www.dailynews.com/news/politics/ny-trump-russia-g7-putin-obama-kremlin-rejoining-the-pact

Surbhi, S. (2015, June 18). *Difference between developed countries and developing countries*. Key Differences. Retrieved from https://keydifferences.com/difference-between-developed-countries-and-deeloping-countries.html

Taylor, J. (2017, August 18). *Product suitability for international markets*. Blog. Retrieved from https://www.product-suitability-international-markets/

The Economist. (2004, September 30). *Should poor countries' debts all be written off?* Retrieved from https://www.economist.com/finance-and-economics/2004/09//30/clean-slate

Thompson. K. (2017, January 31). *The human development index*. Revise Sociology. Retrieved from https://revisesociology.com/2017/01/31/human-development-index/

United Nations Development Programme. (2017, April 17). *The millennium development goals report 2015*. Retrieved from https://www.undp.org/content/undp/en/hpme/librarypage/mdg/the-millennium-development-goals-report-2015.html

Van Blizen, G. (2015). *The development of aid*. Newcastle Upon Tyne, U.K.: Cambridge Scholar's Publications.

Viterbo, A. (2020). The role of the Paris and London clubs: Is it under threat? *The Hague Centre for Studies and Research in International Law and International Relations Series*, *20*, 295-329. Retrieved from

https://www.academia.edu/24972121/The_Role_of_the_Paris_and_London_Clubs_Is_It_Under_Threat
Weiss, M.A. (2013 December 11). *Paris club and international debt relief*. Congressional Research Service. Retrieved from https://digital.library.unt.edu/ark:/67531/metadc272123/
World Bank. (2018, January 11). *HIPC initiative*. Retrieved from https://www.worldbank/en/topic/debt/brief/hipc
World Bank. (2020). *Projects and operations*. Retrieved August 18, 2020, from https://projects.worldbank.org/
World Health Organization. (2020). *Millennium development goals (MDGs)*. Retrieved August 18, 2020, from https://www.who.int/topics/millennium_development_goals/about/en/
Yip, G.S., & Hult, G.T.M. (2012). *Total global strategy* (3rd ed.). New York: Pearson.