



Varazdin Development and Entrepreneurship Agency
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University North

Editors:
Marin Milkovic, Goran Kozina, Dinko Primorac

Economic and Social Development

12th International Scientific Conference on Economic and Social Development



Book of Abstracts

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CONTENTS

Mohammad Hasane Jabbari ■ NATIONAL COHESION IN ECONOMIC DEVELOPMENT OF JAPAN AND IRAN IN RECENT CENTURIES.....	1
Melita Kozina, Anja Agnezovic ■ ASSESSMENT OF THE MATURITY LEVEL OF IT FUNCTION IN A CROATIAN INSTITUTION.....	3
Ovgu Cidar Iyikal, Aysem Celebi ■ INVESTIGATING A QUALITY OF SERVICES IN THE PUBLIC SECTOR: EVIDENCE FROM NORTHERN CYPRUS	5
Petar Kurecic, Goran Kozina ■ NEOLIBERALISATION AT THE LOCAL SCALE: CONTENT ANALYSIS OF THE TEXTS ABOUT NEOLIBERALISATION OF THE LOCAL COMMUNITIES PUBLISHED IN ANTIPODE JOURNAL, 2010-2013.....	6
Daniel Tomic ■ AN ALTERNATIVE APPROACH TO THE TRADE DYNAMICS IN CROATIA	8
Petar Kurecic ■ STUDYING OF URBAN MOVEMENTS THROUGH THE PARADIGMS OF POPULAR GEOPOLITICS AND ANTI-GEOPOLITICS	9
Richard A Owusu, Terje I Vaaland ■ ACHIEVING LOCAL CONTENT IN EXTRACTIVE INDUSTRIES OF AFRICAN COUNTRIES.	11
Franciszek Kapusta, Rafal Parvi ■ ORGANISATION OF THE SUGAR INDUSTRY IN POLAND AND EFFICIENCY OF OPERATING SUGAR FACTORIES.....	12

Arpad Papp -Vary ■ PRODUCT PLACEMENT IN MUSIC VIDEOS
– THE LADY GAGA PHENOMENON13

Sheetal Sharma, Krishne Gowda ■ STUDY OF PATTERNS IN
SURFACE WATER FLOW IN URBAN AREAS IN THE CONTEXT
OF PHYSICAL PLANNING IN THE CITY OF BHOPAL, INDIA. 14

Violeta Vidacek-Hains, Melita Kozina, Valentina Kirinic ■ A
MODEL OF EDUCATION FOR ASSISTANTS OF STUDENTS
WITH DISABILITIES SUPPORTED BY INFORMATION AND
COMUNICATION TECHNOLOGY15

Davide Gualerzi ■ GLOBALIZATION AND NEW STAGNATION
TENDENCIES17

Trina Mjeda, Mario Tomisa, Marin Milkovic ■ THE IMPACT OF
INTELLECTUAL CAPITAL ON FIRM’S DEVELOPMENT18

Boleslaw Stawicki ■ CHALLENGE FUNDS AND INCLUSIVE
BUSINESSES – KEY TO SOCIO-ECONOMIC DEVELOPMENT?
.....20

Thabani T Madlala ■ DO LARGE RETAILERS DISPLACE SMALL
INFORMAL RETAILERS? THE CASE OF A PICK N PAY STORE
IN KWAMASHU, DURBAN, SOUTH AFRICA.....22

Djuro Tunjic, Goran Kozina, Dinko Primorac ■ CERTIFICATION
EFFICIENCY OF QUALITY MANAGEMENT SYSTEM IN METAL
- PROCESSING INDUSTRY ACCORDING TO STANDARD ISO
9001 IN THE REPUBLIC OF CROATIA23

Iana Justine Veal C. Cale, Peter Jeff C. Camaro, Kristel P. Melendres,
Marie Antoinette L. Rosete ■ THE LUCAS PARADOX AND THE
HUMAN CAPITAL RESOURCE CURSE IN PHILIPPINES,
INDONESIA, MALAYSIA, THAILAND AND SINGAPORE25

NATIONAL COHESION IN ECONOMIC DEVELOPMENT OF JAPAN AND IRAN IN RECENT CENTURIES

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ABSTRACT

This paper examines the economic development in two countries of Iran and Japan in recent centuries. In this article to be tried; modernization actions of Iran and Japan for economic development with guidance and reforms of above by elites in other words by powerful forces is examined.

Two countries of Iran and Japan with regard to the economic superiority and development of West tried to find a economic balance with the West. the modernization actions of Japan began with Meiji revolution. Emperor with the Japan powerful forces by territorial and financial reforms provided the necessary resources to the development of industries and with the formation of heavy and light industries had a major role in the economic development of Japan.

In Iran, modernization efforts was formed in the Qajar and Pahlavi period by Abbas Mirza, Amir Kabir, Sepahsalar, Constitutional Revolution, Reza Shah and Mohammad Reza Shah but the result of efforts was different despite somewhat similar situation. Japan succeeded in economic development but Iran could not reach to economic development like Japan.

In Japan there was consensus and harmony between powerful forces with a unit goal to achieve economic development, but in Iran there was not such consensus and unanimity to reach to economic development in both Gajar and Pahlavi period because personal interests rather than national interests.

The research method of article is historical and descriptive. In this article be tried according to the theory of habermas, the process of economic modernization is evaluated in two countries of Iran and Japan to historical and descriptive method to reach economic development.

Keywords: *Modernization, Development, Elite, Iran, Japan*

ASSESSMENT OF THE MATURITY LEVEL OF IT FUNCTION IN A CROATIAN INSTITUTION

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ABSTRACT

Modern business companies are investing large sums in information and communication technology (ICT) due to the fact that various aspects of this highly dominant technology have a great impact on business and the competitive position of the company on the market.

Use of IT is no longer adequate on operative level only; ICT investments are expected to yield better business processes, connected value chain in organizations and expanded business. Furthermore, IT organizations have to provide the quality of IT services related to the business requirements and to concentrate on customer oriented approach.

In order to accomplish these goals, the companies must develop adequate IT management methods and establish systems of measurement, monitoring and evaluation of the effects of the ICT investments. It will raise the maturity level of IT function as well as to provide a higher business value of ICT investments. The purpose of the paper is to conduct an assessment of the current maturity level of IT function in the higher education institution in Croatia using the one of the most comprehensive good-practice framework such as CobIT (Control Objectives for Information and Related Technology).

Furthermore, the paper presents whether the current role of ICT deliver business value to the institution and suggests improvements to the optimal level of informatization in accordance with the institution's objectives.

Keywords: *ICT role in the business company/institution; maturity level of IT function; assessment the maturity level of IT function; CobIT framework*

INVESTIGATING A QUALITY OF SERVICES IN THE PUBLIC SECTOR: EVIDENCE FROM NORTHERN CYPRUS

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ABSTRACT

The current study aims is to investigate the service quality delivered by public enterprises in Turkish Republic of Northern Cyprus (TRNC) and level of customer satisfaction as well as word of mouth (WOM) in return. A convenient sampling method has been employed by using the service quality (SERVQUAL) instrument which is used to gather customers' excellent public service and compared those with their perceptions of the service delivered by Public Sectors which are operating in TRNC. Results of the study revealed that dimensions of reliability and assurance exert positively significant effects on Customer Satisfaction in the public sector. Moreover, the level of Customer Satisfaction from public services exerts positively significant effect on positive word of mouth. Finally, with the light of findings, the current study will also attempt to provide some recommendations about possible quality reforms and rearrangements to the policy makers for the public enterprises in TRNC.

Keywords: *Public Sector, Service Quality, SERVQUAL, Northern Cyprus*

**NEOLIBERALISATION AT THE LOCAL SCALE:
CONTENT ANALYSIS OF THE TEXTS ABOUT
NEOLIBERALISATION OF THE LOCAL
COMMUNITIES PUBLISHED IN ANTIPODE
JOURNAL, 2010-2013**

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ABSTRACT

The paper represents a study of papers published in Antipode – A Radical Journal of Geography, from 2010 to 2013, in which, as to the author's assessment, a highly critical stance towards contemporary neoliberalism exists. After the introductory remarks describing the nature of neoliberalism and its definitions, relevant sources regarding the definitions of neoliberalism and its present existing forms were consulted and pointed out.

The intent of this paper is to present what kind of critical stance was present in the texts published in Antipode in the period of four years (2010-2013). The discourse that was used to describe, characterize and critically judge the contemporary relationship of neoliberalism towards local communities was identified and analyzed. The basic content analysis of the selected texts from Antipode was made.

Emphasizing the importance of scale in studying the processes of globalization and neoliberalisation (among others), the main topics that were studied in the research of neoliberalisation at the local level were: gentrification and privatization of former public space, privatization of local resources, the influence of

neoliberalism on the immigrants in specific communities, and the resistance to neoliberalisation through the social protests in local communities. The focus of the analysis was on the words used to describe neoliberalisation of the aforementioned areas of social life and the context in which those words were used, through the analysis of full citations.

The analysis has shown that neoliberalisation at the local scale has its specific occurrences, forms, subjects, and objects. The pressure from the private capital is transforming the local communities, and concurrently causing resistance that is taking various forms.

Keywords: *neoliberalisation, Antipode, local communities, public space, privatization, urban resistance movements*

AN ALTERNATIVE APPROACH TO THE TRADE DYNAMICS IN CROATIA

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ABSTRACT

The point of understanding the international finance and trade perspective is closely related to comprehension of the terms of trade (exchange rate) – trade balance nexus. How well can a country balance its international trade engagement over international price changes and/or applied exchange rate regime is of great importance, especially for a small, opened, indebted and import dependent country such as Croatia. By focusing on the relationship between the terms of trade, exchange rate, volume of trade, current account and output we are trying to provide some new insights into trade dynamics over a business cycle in Croatia.

Furthermore, the analysis is done on aggregate level and evaluates only the market of goods, for it constitutes the larger part of the trade balance. Empirical assessment relies on the lead and lag cross-correlation functions between the variables comprising the period 2000 – 2014. Results suggest the existence of the S-curve pattern leading us to some indicative conclusions regarding the trade dynamics in Croatia.

Keywords: *business cycle, Croatia, S-curve, trade dynamics*

STUDYING OF URBAN MOVEMENTS THROUGH THE PARADIGMS OF POPULAR GEOPOLITICS AND ANTI-GEOPOLITICS

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ABSTRACT

The paper studies urban movements, as a type of social movements. These phenomena are studied through the perspectives of critical geopolitics' two sub disciplines: popular geopolitics and anti-geopolitics. Urban movements represent a type of social movements devoted mostly to the resistance of urban population towards changing of the cities under the influence of neoliberalism i.e. capital and private interests.

Urban movements that were studied were mostly the ones resisting the privatization of public space as an expression of neoliberalisation of the cities, which has been going on for the last three decades in the West, and for about two decades in the former socialist countries and various emerging economies, such as P. R. China. Studying of urban movements has a tradition of a little more than quarter of a century, since critical geopolitics as a geopolitical perspective exists.

It is mostly tied with the geopolitics of resistance i.e. anti-geopolitics that is an expression of challenges to the cultural, political, moral and economic dominance of the elites in various societies. Social movements represent the ties that bind the individuals involved in resistance, hence they articulate individual actions into comprehensive, socially visible and tangible actions that attract and keep the attention of the society as well as the authorities.

In the era of social media, social movements have much more diverse ways of transmitting messages and coordinating actions. The main conclusion is that we live in the era of social movements (and therefore urban movements as well), in which social media have become a very important means of the social movements' actions.

Keywords: *social movements, urban movements, social media, popular geopolitics, anti-geopolitics, the Internet age*

ACHIEVING LOCAL CONTENT IN EXTRACTIVE INDUSTRIES OF AFRICAN COUNTRIES.

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ABSTRACT

Local content defines the extent of participation of local industry in extractive industries like mining, oil and gas. These industries are major destinations of foreign direct investments. They are very important revenue streams for governments of developing and emerging economies. In many countries, however, local industry is not participating enough. Recently researchers are bringing new perspectives into research and policy on the subject. We discuss the issue based on a review of relevant literature including a study in Nigeria in the wake of the passage of the new local content laws. Our study finds that the achievement of local content depends on the collaboration of a range of actors. Local political and legal institutions, local businesses, MNCs, universities and research organizations, international development partners and donors have to contribute their political and economic resources to achieve local content.

Keywords: *Africa emerging markets, local content, local participation in extractive industries; local participation in oil and gas industries*

ORGANISATION OF THE SUGAR INDUSTRY IN POLAND AND EFFICIENCY OF OPERATING SUGAR FACTORIES

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ABSTRACT

This paper examines share price of the companies listed on the WIG-SPOŻYWCZY and their fair value between 2006-2015. Data from 2006 to 2015 were collected from the Stooq.pl (Polish portal of shares). Two hypotheses are tested: (1) value of the shares based on the market price; (2) value of the shares as the fair value of shares. Moreover, the financial condition of several companies with respect to the sector was examined with the selected financial ratios. In addition, the author expressed his view on the opportunities of the property companies market's WIG-SPOŻYWCZY (sugar industry) in 2015-2018.

Keywords: *food sector, financial condition, profitability, fair value, sugar*

PRODUCT PLACEMENT IN MUSIC VIDEOS – THE LADY GAGA PHENOMENON

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ABSTRACT

One does not even have to watch today's music videos very attentively in order to recognize that brands appear in them from time to time. However, this was not always the case. The changing policies of Music Television, the introduction of VEVO (a music video channel launched on Youtube), and the widening use of product placement in general have all played a significant role in the changes of the landscape, the increasing number of product placements in music videos. The paper examines the spread of brand/product placement in music videos, also known as the Lady Gaga effect. The study focuses on two aspects of product placement: on the one hand, which music genres it is the most widely used in, and on the other hand, what its most common (classical and special) types are. The author describes the notion of product placement drawing on different definitions, then discusses several typical and unique examples of brands and artists involved in product placement in pop, electronic, rock, and more than anything else, hip-hop music videos. Through a discussion of various historical and contemporary examples (most of them visual or auditive), and their relation to business, the study proves that product placement in music videos has become an increasingly popular tool in the world of marketing.

Keywords: *Branded Entertainment, Branded Content, Product Placement, Music Videos, Marketing Communications*

STUDY OF PATTERNS IN SURFACE WATER FLOW IN URBAN AREAS IN THE CONTEXT OF PHYSICAL PLANNING IN THE CITY OF BHOPAL, INDIA

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ABSTRACT

Land use planning deals with land transformation from natural areas into developed ones which lead to changes in natural environment. Therefore basic knowledge of relationship between the existing patterns of land use and the natural surroundings is necessary. In dynamic urban and climate scenarios, the parameters of incompatibility between urban functions and the functions of the natural environment are becoming various. Changes in land patterns due to built up, pavements, roads and similar land cover affects surface water flow seriously. It also changes permeability and absorption characteristics of the soil. Urban planners need to know natural processes along with modern means and best technologies as there is a huge gap between basic knowledge of natural processes and its requirement for balanced development having minimum impact on water recharge.

Keywords: *Runoff, built up, bye laws, recharge, roughness*

A MODEL OF EDUCATION FOR ASSISTANTS OF STUDENTS WITH DISABILITIES SUPPORTED BY INFORMATION AND COMMUNICATION TECHNOLOGY

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ABSTRACT

Today's system of education is becoming more flexible for students from different under-represented groups. Possible obstacles in education can arise from age, gender, disability, language skills, low social status, income etc. All students from under-represented groups have an equal right to access to education and the subsequent labour market that such education provides. The majority of students with disabilities are included in mainstream preschools, schools and universities.

Depending on the type of disability (hearing impairments, visual impairments, psychological disorders, mobility difficulties etc.), students need more or less support. This paper will explore the model of support provided by assistants for students with disabilities at different levels of education. The model includes personal teaching assistants in preschools and schools and peer-teaching assistance at the university level.

The quality of training for teaching assistants in preschools and schools was evaluated using a sample of 90 assistants participating in the 20-hour course. The initial motivation of assistants was estimated by an open-ended question survey. A content analysis of teaching assistant reports shows that motivation for this job is not only current unemployment, but also the gathering of social skills, job experience and enjoyment. The results were positive, with an emphasis on the high quality of the curriculum and the usefulness of lifelong learning. Interviews with peer assistants at the university emphasised the importance of training supported by information and communication technology.

Students with disabilities also need access to the internet, high quality digital learning materials and different assistive technology. Quality of support provided by assistants also depends on their training and any aversion of inclusion students with disabilities within the mainstream education system. Inclusion is good way of preparation in terms of human capital management for the future labour market. Further research will be focused on measuring the usefulness and practical implementation of the results.

Keywords: *Education, Labour Market, Students with Disabilities, Teaching Assistants*

GLOBALIZATION AND NEW STAGNATION TENDENCIES

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ABSTRACT

The paper focuses on the recent resurfacing of the question of secular stagnation and its impacts on the prospects of the global economy after the great financial crisis of 2008. Although over the recession that lasted in the US from the fourth quarter 2007 to the third quarter 2009, was followed by a relatively weak recovery, specially in Europe. Despite the differences unemployment rates are high throughout the industrialized economies with little sign that redundant workers will be reabsorbed into employment any time soon. The crisis is therefore “ongoing”. It casts a considerable doubt on the prospects of the global economy. Underneath much of the discussion there seems to be the idea of a resumption of growth based on a “return to normal” scenario, which implies that growth would resume along similar lines as before the crisis. In fact the question is that of the pattern of growth on which industrialized economies will settle in and whether it will provide the conditions for an expansive transformation. On the other hand we have observed the return to a discussion of secular stagnation, prompted by Lawrence Summers comments at the 2013 IMF conference in honor of Stanley Fisher. The reemergence of what two historians of economic thought Backhouse and Boianovsky, call a “heresy” in macroeconomics suggests a new awareness on a question that almost disappeared from the economic discourse.

Keywords: *Crisis, stagnation, macrodynamics, Lawrence H. Summers, advanced industrial economies and global economy*

THE IMPACT OF INTELLECTUAL CAPITAL ON FIRM'S DEVELOPMENT

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ABSTRACT

In today's global economy where physical presence is no longer important, and where everybody can sell and buy no matter where they are, effective communication and interaction is a key feature of continuous development. The new rules have significantly changed the way of defining enterprise - the issue of what a company owns has evolved into what the company knows and can do. Companies nowadays are successful if they have realized that investments in intellectual capital and synergy effects based on creativity, innovation and competence of its employees are the drivers of long-term growth.

Business and human life in general changes fundamentally with regard to innovation process. Every innovation works in the micro and macro environment, and they are based on developing an intellectual capital. It can be called as a driver for creating new knowledge or improving existing, with a direct impact on the business of one company, and indirectly impacting the environment in which the company exists, constantly increasing the amount of world knowledge.

The main purpose of this paper is to point out the importance of developing an intellectual capital in a firm, as an asset that comprises the same importance as every other type of firm's capital for long-term business growth.

Keywords: *intellectual capital, long-term growth, innovation, firm's development*

CHALLENGE FUNDS AND INCLUSIVE BUSINESSES – KEY TO SOCIO-ECONOMIC DEVELOPMENT?

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ABSTRACT

This paper will introduce the concept of the challenge fund mechanism, and its role, from both a private sector development (PSD) perspective as well as from the sustainable social impact angle. The paper is informed by practical experience and reflections from the point of view of a manager who manages one of the world's largest challenge funds with a capitalisation of USD 250m and 200+ investments across 23 different markets.

A challenge fund, which by nature, is a risk taking and risk-sharing PSD mechanism is used to support innovative, for-profit business ventures, which, by the virtue of being innovative, and therefore, more risky than other business ventures have restricted access to capital.

A challenge fund, in a developing or frontier market context, will invest in innovative for-profit companies that exhibit strong intentionality on social impact, i.e. they will implement the inclusive business model concept. Essentially, inclusive businesses engage low income communities in a formal way either as suppliers of raw material, such as cocoa seeds, which the company then processes, or they engage low income communities as customers who buy and consume products and services which cater to them specifically.

In this way, an inclusive business makes a profit and at the same time increases the income of low income communities. In this arrangement social impact remains sustainable because the business sees that it can make a profit by collaborating with low income communities.

A challenge fund, by financing innovative and risky SMEs doesn't only support PSD and social impact, it also creates a tested and proven deal flow of companies for more commercial investors such as private equity funds or development finance institutions such as the International Finance Corporation. Therefore, the challenge fund mechanism serves a critical function in sustainable business and social development.

Keywords: *Agribusiness, challenge fund, climate change, inclusive business, inclusive finance, private sector development, social impact, sustainable development*

DO LARGE RETAILERS DISPLACE SMALL INFORMAL RETAILERS? THE CASE OF A PICK N PAY STORE IN KWAMASHU, DURBAN, SOUTH AFRICA

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ABSTRACT

South Africa is characterised by high unemployment and a relatively small informal sector. This paper generates better insight into the economic relationship between formal and informal sectors of the South African economy. It investigates whether or not the development of large retailers displaces small informal retailers. The study focuses on current and former owners of informal grocery shops “spaza shops” in a township of KwaMashu, Durban. The analysis revealed that the impact of a large retailer is highly localised, with the greatest impact being on shops adjacent to the mall. Within this radius, most informal shops experience lower consumer volumes and are forced to adjust marketing strategies. These shops typically respond to supermarket entry by diversifying commodities.

Keywords: *South Africa; informal sector; grocery shops; large retailers; agglomeration economies*

CERTIFICATION EFFICIENCY OF QUALITY MANAGEMENT SYSTEM IN METAL - PROCESSING INDUSTRY ACCORDING TO STANDARD ISO 9001 IN THE REPUBLIC OF CROATIA

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ABSTRACT

Implementation and certification of quality management system according to standard ISO 9001 is a voluntary process to which the companies decide for various reasons: internal or external. That is conducted by independent accredited institution through conducting audits.

Audit is controlled and defined process which is carried out by qualified, professional and independent person. Regardless of all that, and although the first certification in the world was conducted more than 25 years ago, in the public and among experts, it is still possible to hear voices which question the appropriateness of conducting the certification of companies.

Extensive research was conducted on the metal – processing industry in Croatia in order to:

- 1. Research the impact of the implementation and certification of Quality Management System in the company*
- 2. Research the level of awareness about the quality of employees*
- 3. Research factors that have influence on the certification process.*

In this paper are research findings that were obtained using different statistical methods.

Keywords: *quality, certification, ISO 9001, competitiveness*

THE LUCAS PARADOX AND THE HUMAN CAPITAL RESOURCE CURSE IN PHILIPPINES, INDONESIA, MALAYSIA, THAILAND AND SINGAPORE

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ABSTRACT

Lucas (1990) stated in his study that capital doesn't flow from rich to poor countries because of differences in capital per worker. The resource curse tackles the irony of why resource abundant economies tend to grow slower than those with low resources (Sachs and Warner, 1997). This study examines the connection between the Lucas Paradox and the Resource Curse between the developed and developing countries in the ASEAN based from Solow's neoclassical model and the Cobb Douglas production function. The study would like to state if a connection exists between the two phenomena and determine how they affect each other and if the Lucas Paradox and the Resource Curse exists in the Philippines, Indonesia, Malaysia, Thailand and Singapore. Developing countries are all rich in natural resources, specifically have high human capital and high human capital investments. This research also proves that an increase in

education directly affects human capital stock and that age is positively related to human capital as different age groups increase human capital. It was also confirmed that human capital stock depends upon the distribution of the population between urban and rural sectors. While on the other hand the effect of the Capital per Effective worker hypothetically increases the overall Income per Effective worker but seems to be lacking in the developing countries thus proving the Lucas Paradox and the Human Capital Resource Curse are present and are interconnected with each in countries such as the Philippines, Indonesia, Malaysia, Thailand and Singapore. The lack of investments in human capital discourages capital to flow from developed to developing countries which results to slow economic growth.

Keywords: ASEAN, Human Capital, Lucas Paradox, Resource Curse

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