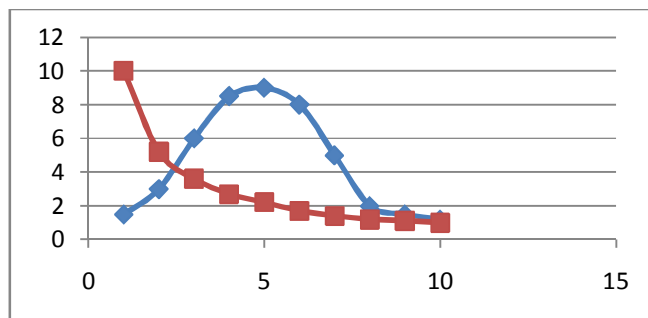


Revaz Lordkipanidze



Polar Difference in Economic Regulation of Developed and Developing Countries



Tbilisi

Philanthropic Research Academy named after Economist A. Gunia

for the Digital Library of the Parliament Georgia

2018

**Dedicated to the mutually beneficial relationship
between developed and developing countries**

Doctor of Economic Sciences Revaz Lordkipanidze (Specialization: Economics, World Economy and International Economic Relations. https://en.wikipedia.org/wiki/Revaz_Lordkipanidze <http://revaz-lordkipanidze.simplesite.com> https://www.researchgate.net/profile/Revaz_Lordkipanidze) develops the own understanding about Polar Difference in Economic Regulation of Developed and Developing Countries. R. Lordkipanidze is a member of the American Economic Association and researcher in Ivane Javakhishvili Tbilisi State University, Georgian Technical University, University Geomedi, Tbilisi Teaching University and other famous universities and academies, he is the author of 10 monographs, more than 30 books (including electronic) and 200 publications. This book should be useful for specialists of fundamentals and practice of Business, Economics and Public Law.

Edited and Reviewed in the Academy named after Economist A. Gunia

Polar Difference in Economic Regulation of Developed and Developing Countries

As You know, a developed country is “industrialized country, more developed country, or "more economically developed country" (MEDC), is a sovereign state that has a developed economy and advanced technological infrastructure relative to other less industrialized nations. Most commonly, the criteria for evaluating the degree of economic development are gross domestic product (GDP), gross national product (GNP), the per capita income, level of industrialization, amount of widespread infrastructure and general standard of living.” [1]

I think, that in developed countries, the private sector is very strong and does not need help. Such a private sector can even solve some social problems through taxes and charitable actions. Additional support to such a private sector can be justified only in extreme cases of the need to implement the keenly needful achievements of science, technology and medical innovations.

In developing countries, a weak private sector does not stand up to competition with strong foreign competitors and often becomes poorer and poorer and finds itself in a "evil circle" of poverty. In this case, the state should not be in the role of waiting - it is also a participant in the market and should subsidize the private sector or apply mechanisms of low-cost loans and maximal effective low tax and interest rates for attract investments.

Between rich and poor, mutually beneficial relationships are possible. Some in developed countries think that if they endlessly impoverish the poor, they themselves will be richer in the endless future. This is not true. The poverty of others burdens the rich and, in general, the states.

Mutually-beneficial relations between rich and poor countries should develop in 2 main directions: 1) applying of scientific and technological achievements from developed to

developing countries; 2) improvement of gross macroeconomic indicators and employment with the use of low-paid low-skilled personnel from developing to developed countries.

I have been researching competition for a long time [2; 3] and see that in competition with the rich, the poor always lose, but everything comes up to consciousness. If the rich know that further impoverishment of the poor will necessarily be a bad deal for all, the world will become happier for everyone.

My approximate calculations showed (Table 1) that, despite the higher rates of development of developing countries, developed countries live exactly the same better, which undoubtedly requires observation by international economic structures over to still existing of some certain economic discrimination.

By data from International Monetary Fund [4], in the US, we see the necessary sharp increase in industrial production (Figure 1) and exports of goods (Figure 2), which is very good and this should be the strategic goal for any country. It is very difficult to develop science and industry, but it is very necessary for employment and progress. Some countries focus on the non-real sectors of the economy, which in the beginning gives income, but then we see sharp declines. Thanks to America for a good example and clarity, that a wise economic reform can give significant results.

Table 1

Difference in living standards and economic growth rates of developed and developing countries

(my rough estimate of the 20th and 21st centuries)

Countries	GDP growth per year (%)	GDP per capita (developing=1)
Developed	3.4 (20th); 2.9 (21st)	38.5 (20th); 38.5 (21st)
Developing	5.3 (20th); 5.2 (21st)	1

Figure 1



Figure 2



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3. Lordkipanidze R. Dialectics to Understanding of International Competition: For Fundamentals and Practice of Business and Public Law. Tbilisi, Philanthropic Research Academy named after Economist A. Gunia for the Digital Library of the Parliament Georgia, 2018. ISBN 978-9941-8-0217-1 (PDF) <http://dspace.nplg.gov.ge/handle/1234/271351>
4. Industrial Production (Annual): Percent change from previous year by data from International Monetary Fund. - <http://www.imf.org/external/datamapper/datasets/IFS/4>

Реваз Лордкипанидзе

**Полярная разница в экономическом регулировании
развитых и развивающихся стран**

Резюме

В развитых странах, частный сектор развит достаточно основательно (стабильно) и не нуждается в помощи. Такой частный сектор даже может решать некоторые социальные проблемы посредством налогов и благотворительных акций. Дополнительная поддержка такого частного сектора может быть оправдана только в экстремальных случаях необходимости реализации остро нужных новаций науки, технологий и медицинских услуг.

В развивающихся странах, слабый частный сектор не выдерживает конкуренцию с сильными иностранными конкурентами и часто беднеет все больше и больше и оказывается в "закалдованном круге" бедности. В таком случае, государство не должно быть в роли ожидающего - государство тоже является участником рынка и может субсидировать частный сектор или применять механизмы недорогих кредитов и максимально эффективные низкие налоги и процентные ставки для привлечения инвестиций.

Между богатыми и бедными возможны взаимовыгодные отношения. Некоторые в развитых странах думают, что если они бесконечно будут обеднять бедных, сами будут богаче в бесконечном будущем. Это не так. Бедность других обременяет Богатых и в целом государства.

Взаимовыгодные отношения между богатыми и бедными странами должны развиваться по 2 главным направлениям: 1) применение научно-технических достижений для бедных; 2) улучшение валовых макроэкономических показателей и занятости с применением менееоплачиваемой низкоквалифицированного персонала в развитых странах.

Уже достаточно долгое время, как исследую вопросы конкуренции и вижу, что, в конкуренции с богатыми, бедные всегда проигрывают, но все сводится к сознанию. Если богатые осознают, что дальнейшее обеднение бедных им обязательно мешает, мир станет счастливее для всех.