

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa



GHAZOUANI Nidham

Research structure: VPNC LAB, 216.21000622

ABSTRACT: The economic literature has shown that the effect of FDI on poverty through these instruments has undergone radical changes which reflect, on the one hand, the growing progress, made by the academic community, in the very complex analysis of interactions with income growth and inequality; and the level of political interest in the topic of poverty reduction.

INTRODUCTION

To understand the effect of FDI on poverty reduction in North Africa, we come back to analyzing the effects of FDI on growth and inequality. This article is divided into three main sections:

- For the first section, she will focus on empirical studies on the relationship between FDI, growth and poverty.
- We will present this model and the data in the second section.
- And for the third section of this article we will present the results of our estimation as well as the analyses.

Xiaoying Li¹(2005) studied whether foreign direct investment (FDI) affects economic growth based on panel data for 84 countries over the period 1970-99. Single equation system and simultaneous equation techniques are applied to examine this relationship. A significant endogenous relationship between FDI and economic growth is identified from the mid-1980s. FDI not only directly promotes economic growth by itself, but indirectly through its interaction terms. The interaction of FDI with human capital exerts a strong positive effect on economic growth in developing countries, while that of FDI with the technology gap has a significant negative impact.

The study of Sasi Iamsiraroja and Mehmet Ali Ulubaşoğlu²(2015) explored the global relationship between FDI and growth through econometric analysis, using a global sample of 140 countries over the period 1970 to 2009, their study conclusively documents that FDI positively affects economic growth. Moreover, they found that this association is globally as strong as in the developing world. Finally, appropriate absorptive capacity indicators for positive growth are identified as trade openness and financial development rather than education.

Article by Mohammad Amin Almfrajiab and Mahmoud Khalid Almsafira³(2014) reviewed a number of research examining the relationships between FDI and economic growth, including the effects of FDI on economic growth, from 1994 to 2012. The results show that the main finding of the FDI relationship -economic growth is significantly positive, but in some cases it is negative or even zero. And within the relationship, there are several influencing factors such as adequate levels of human capital, well-developed financial markets, complementarity between domestic and foreign investment and open trade regimes, etc.

The various links between foreign direct investment (FDI), financial markets and economic growth have been analyzed by Laura Alfaro et al⁴(2004). They determined whether countries with better financial systems can harness FDI more effectively. Empirical analysis, using cross-national data between 1975 and 1995, showed that FDI plays an ambiguous role in contributing to

¹(World Development Volume 33, Issue 3, March 2005, Pages 393-407, Foreign Direct Investment and Economic Growth: An Increasingly Endogenous Relationship, Xiaoying Li)

²(Economic Modelling, Volume 51, December 2015, Pages 200-213, Foreign direct investment and economic growth: A real relationship or wishful thinking, Sasi Iamsiraroja Mehmet Ali Ulubaşoğlu)

³(Procedia - Social and Behavioral Sciences, Volume 129, 2014, Pages 206-213, Foreign Direct Investment and Economic Growth Literature Review from 1994 to 2012, Mohammad Amin Almfrajiab Mahmoud Khalid Almsafira)

⁴(Journal of International Economics, Volume 64, Issue 1, October 2004, Pages 89-112, FDI and economic growth: the role of local financial markets, Laura Alfaro Areendam Chandab Sebnem Kalemli-Ozcan Selin Sayek)

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

economic growth. However, countries with well-developed financial markets derive significant benefit from FDI. The results are robust to different measures of financial market development, to the inclusion of other determinants of economic growth and to the consideration of endogeneity.

Steve Loris and Gui-Dibyab⁵(2014) examined the impact of foreign direct investment (FDI) on economic growth in Africa and presented estimates based on panel data from 50 African countries between 1980 and 2009, and generalized method estimators of the system (SYS-GMM) as proposed by Blundell and Bond (1998). It is found that FDI inflows had a significant impact on economic growth in the African region during the period of interest. It is also noted that if the low level of human resources did not limit the impact of FDI and that the impact of FDI on economic growth was negative between 1980 and 1994 and positive between 1995 and 2009 .

The impact of foreign direct investment on economic growth in Asian countries has been reviewed by Aviral Kumar Tiwari, Mihai Mutascu⁶2011. They carried out their panel analysis for the period from 1986 to 2008. They also examined the nonlinearities associated with foreign direct investment and exports in the economic growth process of Asian countries in the study. They found that foreign direct investment and exports improve the growth process. In addition, labor and capital also play an important role in the growth of Asian countries. The authors suggested an export-led growth trajectory, especially at the initial stage of growth, and in the later period, reliance on FDI might be a feasible option.

Meltem Şengün Ucal⁷2014, assessed the relationship between foreign direct investment (FDI) and poverty in selected developing countries. The contribution of host countries to FDI can take several forms, such as transfer of technology, development of human capital, increased competition in domestic markets and generation of tax revenue for companies, among others. The paper develops a dataset and an econometric model to analyze FDI flows and poverty relationships to the panel dataset at the macro level. The results showed that there is a statistically significant relationship between FDI and poverty and it is evident that FDI reduces poverty in some developing countries.

Gaston Gohou and Issouf Soumaré⁸2012 re-examined the relationship between foreign direct investment (FDI) flows and well-being (or poverty reduction) in Africa. Using net FDI inflows per capita and the United Nations Development Program Human Development Index as main variables, our analyzes confirm the positive and highly significant relationship between net FDI inflows and the reduction of poverty in Africa.

The authors also find that FDI has a greater impact on welfare in poor countries than in richer countries. For example, while the relationship between FDI and poverty reduction is positive and significant for economic communities in Central and East Africa, it is insignificant in North Africa and Southern Africa. Moreover, the relationship was considered ambiguous in West Africa. Our results are robust to many model specifications.

To study the impact of foreign direct investment (FDI) and its sustainability in poverty reduction in South Africa from 1980 to 2014, Magombeyi and NMOdhiambo⁹2018, used three indicators of poverty reduction, namely: household consumption expenditure, infant mortality rate and life expectancy are used. Using the Autoregressive Distributed Lag (ARDL) approach, the empirical results of this study reveal that the impact of FDI on poverty reduction is sensitive to the poverty reduction indicator and time considered. the short term. When the infant mortality rate is used as a proxy indicator of poverty reduction, the FDI has a positive impact on long-term poverty reduction and a negative impact on short-term poverty reduction. However, when poverty reduction is measured by household consumption expenditure and life expectancy,

Intan Maizura et al¹⁰(2016) aimed to empirically examine the determinants of foreign direct investment (FDI) in the agricultural sector based on selected high-income developing countries. Agriculture sectors respond as important keys in the expansion of any economic growth to eliminate the problems of poverty. The authors reviewed agricultural investment experiences in selected member countries with a view to identifying potential roles for FDI-seeking countries and their development partners.

⁵(Research in Economics, Volume 68, Issue 3, September 2014, Pages 248-256, Impact of foreign direct investments on economic growth in Africa: Evidence from three decades of panel data analyses, Steve Loris Gui-Dibyab)

⁶(Economic Analysis and Policy, Volume 41, Issue 2, September 2011, Pages 173-187, Economic Growth and FDI in Asia: A Panel-Data Approach, Aviral Kumar Tiwari, Mihai Mutascu)

⁷(Procedia - Social and Behavioral Sciences, Volume 109, 8 January 2014, Pages 1101-1105, Panel Data Analysis of Foreign Direct Investment and Poverty from the Perspective of Developing Countries, Meltem Şengün Ucal)

⁸(World Development, Volume 40, Issue 1, January 2012, Pages 75-95, Does Foreign Direct Investment Reduce Poverty in Africa and are There Regional Differences?, Gaston Gohou Issouf Soumaré)

⁹(Sustainable Cities and Society, Volume 39, May 2018, Pages 519-526, Dynamic impact of fdi inflows on poverty reduction: Empirical evidence from South Africa, MT Magombeyi N.M. Odhiambo)

¹⁰(Procedia Economics and Finance, Volume 39, 2016, Pages 328-334, Determinants of Foreign Direct Investment (FDI) in Agriculture Sector Based on Selected High-income Developing Economies in OIC Countries: An Empirical Study on the Provincial Panel Data by Using Stata, 2003-2012, Intan Maizura Abdul Rashid Nor'aznin Abu Bakar Nor Azam Abdul Razak)

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

Uttama NP¹¹(2015) has empirically investigated the determinants of Foreign Direct Investment (FDI) and related factors on poverty reduction from the Association of Southeast Asian Nations (ASEAN), and focuses on available quantitative empirical evidence in the ASEAN region. The analyzes confirmed the significant positive relationship between FDI flows and poverty reduction in ASEAN, both individually and spatially. Nevertheless, this relationship is significantly different between the other factors and poverty reduction in ASEAN. The study concluded that FDI is conducive to poverty reduction. It supports the idea that improving the regional value chain on FDI flows is beneficial for this region.

The relationship between foreign direct investment (FDI) flows and well-being (or poverty reduction) in Africa has been analyzed by Gaston Gohou and Issouf Soumaré¹², 2012. Using net FDI inflows per capita and the United Nations Development Program Human Development Index as main variables, their analyzes confirmed the positive and highly significant relationship between net FDI inflows and poverty reduction in Africa. The authors also find that FDI has a greater impact on welfare in poor countries than in richer countries.

Richard H and Adams Jr.¹³, 2004, used a dataset from 60 developing countries to analyze the elasticity of poverty growth, that is, how much poverty decreases in percentage with a given percentage of economic growth. The study shows that while economic growth does reduce poverty in developing countries, the rate of poverty reduction depends very much on the definition of economic growth. Controlling for changes in income inequality, when economic growth is measured by changes in average income (consumption), the elasticity of poverty growth (excluding Eastern Europe and Central Asia) is of -2.79. However, when growth is measured by changes in GDP per capita, the

Malaysia's success has been underscored by the remarkable social transformation and poverty reduction accompanying rapid economic growth. Three decades ago, more than half the population was poor, the number of illiterates was high and the average person could only expect to live to be 48 years old. The proportion of poor people is currently 5.6%, 90% of adults are literate, and life expectancy is 68 years. Although Malaysia's population has grown from around 10 million in the 1960s to around 28 million in 2010, the number of poor people has declined significantly over this period.

Dullah Muloket al¹⁴2012, attempted to determine the empirical relationship and importance of growth for poverty reduction in Malaysia. The results showed that growth explains much, but not all, of the evolution of poverty. Economic growth is necessary but not sufficient to reduce poverty, especially if the goal is rapid and sustained poverty reduction. This study suggests that if the goal of a policy is focused on poverty reduction, poverty reduction as well as economic growth should be considered simultaneously as the ultimate target.

Despite impressive overall growth in developing countries over the past 25 years, its benefits have reached the poor only to a very limited extent. Not only have the poorest countries grown relatively slowly, but the growth processes are such that in most developing countries the incomes of the poor are growing much less than average. Although many policies have been proposed to counter these trends, little has been done to estimate the possibilities of significantly reducing global poverty within a reasonable timeframe.

Montek S. Ahluwalia et al¹⁵, 1979, This paper develops a quantitative framework for projecting poverty levels under different assumptions about GNP population growth and changes in income distribution. Although the interactions between development processes and policy instruments are not modeled in detail, the results serve to clarify the nature of the problem. Policy simulations demonstrate that the elimination of absolute poverty by the end of this century is a highly unlikely prospect; even achieving a substantial reduction will require a combination of policies aimed at accelerating growth in poor countries, distributing the benefits of growth more evenly, and reducing population growth.

Stephan Klasen¹⁶2008, This article first reviews the debate over the definition of pro-poor growth and argues that a relative definition has merit in defining the state of pro-poor growth, while an absolute definition is most appropriate for analyzing the pro-poor growth rate. The second contribution is to extend the pro-poor growth toolkit to indicators other than income. The

¹¹(Uttama NP (2015) Foreign Direct Investment and the PovertyReduction Nexus in Southeast Asia. (eds) PovertyReductionPolicies and Practices in Developing Asia. pp 281-298)

¹²(Gaston Gohou and IssoufSoumaré, 2012, DoesForeign Direct Investment ReducePoverty in Africa and are There RegionalDifferences?, World Development, vol. 40, issue 1, 75-95)

¹³(WorldDevelopment, Volume 32, Issue 12, December 2004, Pages 1989-2014, EconomicGrowth, Inequality and Poverty: Estimating the GrowthElasticity of Poverty, Richard H. AdamsJr.)

¹⁴(Cuadernos de Economía, Volume 35, Issue 97, January–April 2012, Pages 26-32, Iseconomicgrowthsufficient for povertyalleviation? EmpiricalevidencefromMalaysia¿Essuficiente el crecimientoeconómicoparapaliar la pobreza?ExperienciaenMalasia, DullahMulok Mori KogidRozileeAsidJaratin Lily)

¹⁵(Journal of DevelopmentEconomics, Volume 6, Issue 3, 1979, Pages 299-341, Growth and poverty in developing countries, Montek S.Ahluwalia Nicholas G.Carter Hollis B.Chenery)

¹⁶(World Development, Volume 36, Issue 3, March 2008, Pages 420-445, EconomicGrowth and PovertyReduction: Measurement Issues usingIncome and Non-IncomeIndicators, Stephan Klasen)

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

analysis, applied to Bolivia, showed that this extension greatly improves our understanding of the distribution of change in non-income indicators, the links between progress in the income and non-income dimensions of poverty and incidence of progress in non-income. income results along the income distribution.

The slow pace of poverty reduction in Brazil between the mid-1980s and the mid-2000s reflects both low growth and a low elasticity of poverty reduction to growth. Using GDP data disaggregated by state and sector over a twenty-year period, Francisco HG et al¹⁷2010, found considerable variation in the effectiveness of growth in reducing poverty across sectors, across space and over time. Growth in the service sector was significantly lower than growth in agriculture or industry.

The growth of industry had different effects on poverty in different states and its impact varied with the initial conditions related to human development and worker empowerment. But since there was so little, economic growth played a relatively modest role in reducing poverty in Brazil between 1985 and 2004. Depletion from hyperinflation (in 1994) and a substantial increase in security transfers social and social assistance. part of the 1988 Constitution, accounted for most of the overall poverty reduction.

Joel D. Moorea and John A. Donaldson¹⁸2016, attempted to answer the question; Under what conditions does economic growth benefit the poor? One way to answer this question is to identify and compare the positive and negative outliers, those that respectively experience a greater or lesser reduction in poverty, compared to what was expected given their level of economic growth. The more similar these areas are, the more leverage there is to unearth the factors that enable the poor to benefit from growth.

The authors in their papers employed an inductive approach to glean possible pathways out of poverty from two very similar underdeveloped neighboring provinces in northeast Thailand. Through extensive fieldwork and interviews, they explored the factors that may explain why one province is reducing poverty at a faster rate than expected, even if the other has not channeled its faster growth. towards a significant reduction in poverty.

The authors found in their study that in Surin Province, a network of local NGOs working closely with provincial leaders, national policies targeting the poor found fertile ground and flourished. Small-scale, low-tech and rural-focused initiatives, including organic rice, artisanal production and rural tourism, have helped reduce initially high levels of poverty.

Although many initiatives in Si-Saket were carried out under many initiatives, they were structured in such a way as to promote economic growth, but they largely prevented poor farmers from benefiting. Further research can explore whether this type of “micro-oriented” pathway to rapid rural poverty reduction is useful in other contexts.

2. PRESENTATION OF THE MODEL AND VARIABLES

2.1: Presentation of the model:

To show the effects of FDI on poverty in North Africa, we use a simultaneous equation model. These are based on the relationship between growth, inequality and poverty.

Indeed, there are mechanisms which contribute to the reduction of poverty either like Dollar and Kraay (2000) which show that with the increase in average income reduced poverty, or with a better redistribution of the incomes which gives the reduction inequality, or a combination of the two policies.

In this model, the introduction of FDI plays the role of the exogenous external shock. Their effects on poverty are estimated by taking into account above all their simultaneous effects on growth and on inequalities.

In this section, we have built an econometric model with three equations which are presented as follows: for the first equation, it explains economic growth

(Barro, 2001; Borenztein et al. 1998). For the second equation, it explains the inequalities

(Forbes, 2000; Deininger and Squire, 1998 and Lyn and Squire, 2003). Finally, the last equation consists of using the Human Poverty Index (HPI) as a measure of well-being.

This index focuses on three essential aspects of human life which are already taken into account by the HDI (longevity, education and living conditions) because of the lack of data on the rate of absolute poverty in Libya and Algeria.

The three types of equations are estimated at the same time in order to introduce the existing interactions between the endogenous variables and the indirect effects of the instrumental variables. The explanatory variables are divided into three

¹⁷(Journal of Development Economics, Volume 93, Issue 1, September 2010, Pages 20-36,

Poverty reduction without economic growth?: Explaining Brazil's poverty dynamics, 1985–2004, Francisco HG Ferreira Phillippe G. Leiteb Martin Ravallion)

¹⁸(World Development, Volume 85, September 2016, Pages 1-15, Human-Scale Economics: Economic Growth and Poverty Reduction in Northeastern Thailand, Joel D. Moorea John A. Donaldson)

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

categories: endogenous variables, common explanatory variables and specific explanatory variables. The sets are used in the following models:

$$\text{Growth equation 1: } C_{i,t} = \beta_1 I + E_1 IDE_{i,t} + D_i X_{i,t} + \mu_{i,t}(1)$$

For the first equation, it is constructed using the standard growth models of Barro (2001). It is enriched by models that introduce the effects of FDI (Borenztein et al. 1998) and the effects of inequalities (Ahluwalia, 1976; Forbes, 2000 Lundberg and Squire; 2003). The role of this equation is to explain GDP growth.

$$\text{Inequality equation 2: } I_{i,t} = A_2 C_{i,t} + E_2 IDE_{i,t} + D_2 W_{i,t} + e_{i,t}(2)$$

For the second equation, it explains inequalities (Gini coefficient) which is the measure most used in the majority of empirical work on income inequalities.

$$\text{Poverty equation 3 : } IPH_{i,t} = A_3 C_{i,t} + \beta_3 I_{i,t} + E_3 IDE_{i,t} + D_3 Z_{i,t} \epsilon_{i,t}$$

For the last equation, it explains poverty. As such, we base ourselves on an indicator that is sufficiently available in the World Bank for the countries of North Africa.

This indicator is the “human development indicator”, it corresponds to the absolute poverty approach.

The ratings of the “”, “” “HDI” are: GDP growth, income inequality (Gini coefficient), and finally the human development index. In these three equations, it is assumed that the FDI is considered as the only explanatory variable in the three equations. Regarding the specific variables, they are represented by the following vectors: $C_{i,t}, I_{i,t}$

“X”: represents the vector of variables specific to economic growth (inflation, education, trade openness).

“W”: represents the vector of variables specific to income inequality (Gini index).

“Z”: which represents the vector of poverty-specific variables. It mainly includes population growth, drinking water connection, and inactive populations between rural and urban areas.

In each equation, the choice of specific variables was made in such a way as to minimize the risk of correlation with the endogenous variables of the other equations.

2.2: Estimation method: unbalanced panel

Panel data has undeniable advantages over other types of data, time series and cross sections. On time series, and even if this type of data constitutes the main statistical source, the temporal or longitudinal dimension (t) can nevertheless turn out to be weak in certain cases (changes of regimes, crises, etc.).

This state then weakens the estimates by making them very imprecise, which can lead to statistical inference having to accept sometimes contradictory hypotheses. Moreover, reasoning on aggregated data refers to the implicit hypothesis of homogeneity of individuals' behaviors. On transverse sections, we only reason this time in the individual dimension (i).

Improved data collection has made it possible to combine the two dimensions of time (longitudinal) and individual (cross-sectional) to obtain what is now called panel data. Thus, we no longer only have (t) or (i) observations but (ti) observations. The data used are then doubly indexed, a first index, i, characterizing the individual, a second index, t, situating the observation of individual i in time t.

It is then possible to carry out more detailed analyzes to understand the diversity of behaviors as well as their dynamics. Today, the availability of panel data samples, some of which contain several thousand observations, has increased considerably.

The advantage of having a large sample size is that it makes it possible to obtain estimators whose properties can be assimilated to the asymptotic properties of the methods used. More precisely, this means that they converge towards their true values and that the limit of the variance-covariance matrix of the estimated coefficients tends towards zero (ie high precision).

Insofar as the individual dimension predominates, panel data make it possible to obtain a satisfactory evaluation of microeconomic models. Moreover, they can also limit some key problems that arise in studies of applied economics, such as problems of correlation between disturbances and certain explanatory variables.

Indeed, due to the double individual and temporal dimension, it is possible to manage the individual and temporal specificities and therefore to control the effects of omitted or unobserved variables on the properties of the estimators. Finally, this disaggregated level mitigates the problems caused by the aggregation of behaviors of heterogeneous individuals.

If the main advantages of panel data have just been stated, it is nonetheless true that this diversity, this richness is also characterized by certain disadvantages that should be clearly defined. If the behaviors of the individuals are heterogeneous and if

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

during the estimation this information is not taken into account, then the estimated coefficients may be biased. Indeed, this amounts to making the hypothesis of homogeneity of behavior and therefore to wrongly imposing a constraint.

2.3: Data

Empirical work on North Africa in the face of data scarcity is seen as a big problem. We were able to build a database of (108) observations and 6 North African countries during the period 1995 and 2013. The data on inequalities and poverty (which is replaced by HDI) in North Africa come from the database of the Bank of Africa and the World Bank. As for the explanatory variables, they are distributed according to the theoretical objectives of the three equations.

Faced with the low number of observations, the number of explanatory variables of each equation is limited in order to maximize the number of degrees of freedom to give the statistical validity of the results. For the three equations of the empirical model in unbalanced panel data, the variables are defined as follows:

$C_{i,t} = \beta_1 I_{i,t} + E_1 IDE_{i,t} + D_1 X_{i,t} + \mu_{i,t}$		
variables	Definition	Source
GDP	GDP growth is considered the ultimate indicator of a country's economic performance and health.	world Bank
GINI	The Gini coefficient is a statistical measure that measures disparities in a given population. It is useful for summarizing the income inequality of a country. It varies between 0 and 1.	Bank of Africa
IDE	FDI are international movements of capital made with a view to creating, developing or maintaining a subsidiary abroad and/or exercising control (or significant influence) over the management of a foreign company.	world Bank
INV	Gross fixed capital formation (GFCF, (% of GDP)) is made up of acquisitions minus disposals of fixed assets made by resident producers.	world Bank
LOUV	The trade openness ratio is the ratio between the value of exports of goods and services and the current gross domestic product. [(X+M)/GDP]	world Bank
EDUS	The enrollment rate is the percentage of young people of a given schooling age who are in school compared to the whole population of the same age.	world Bank
INFL	The inflation rate is the percentage increase/decrease in the prices of goods and services over a given period.	world Bank

NB: variable expressed in logarithm

$I_{i,t} = A_2 C_{i,t} + E_2 IDE_{i,t} + D_2 W_{i,t} + e_{i,t}$		
variables	Definition	Source
GINI	The Gini coefficient is a statistical measure that measures disparities in a given population. It is useful for summarizing the income inequality of a country. It varies between 0 and 1.	Bank of Africa
GDP	GDP growth is considered the indicator par excellence of the performance and the economic health of a country	world Bank
IDE	FDI are international movements of capital made with a view to creating, developing or maintaining a subsidiary abroad and/or exercising control (or significant influence) over the management of a foreign company.	world Bank
(Lccrp) is the corruption control;	Corruption is a criminally reprehensible behavior by which the corrupt person approves or accepts a donation, in order to accomplish, an act entering in a direct or indirect way within the framework of his functions.	World Governance Indicators (WGI)
(Linf) is the inflation rate;	The inflation rate is the percentage increase/decrease in the prices of goods and services over a given period.	world Bank
(Louv) is the trade openness ratio [(X+M)/GDP];	The trade openness ratio is the ratio between the value of exports of goods and services and the current gross domestic product.	world Bank
(LINV) is gross fixed capital formation (% of GDP).	The trade openness ratio is the ratio between the value of exports of goods and services and the current gross domestic product.	world Bank

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

$IPH_{i,t} = A_3C_{i,t} + \beta_3I_{i,t} + E_3IDE_{i,t} + D_3Z_{i,t} + \varepsilon_{i,t}$		
variables	Definition	Source
(LIPH): this is the human poverty indicator (HDI);	the Human Poverty Index (HDI), It measures the level of development of a state. It is calculated on the basis of 3 criteria: income, life expectancy, and the level of education of the population (literacy). It is always between 0 (very low) and 1 (very high).	World Bank
(LPIB) is the annual GDP growth rate;	There <u>growth</u> of GDP is considered the indicator par excellence of the <u>performance</u> and the economic health of a country	World Bank
(LGINI) is the GINI coefficient representing inequality.	THE <u>Gini coefficient</u> is a statistical measure that measures disparities in a given population. It is useful for summarizing the income inequality of a country. It varies between 0 and 1.	Bank of Africa
IDE	FDI are international movements of capital made with a view to creating, developing or maintaining a subsidiary abroad and/or exercising control (or significant influence) over the management of a foreign company.	World Bank
(LEDUCS) is the enrollment rate;	The enrollment rate is the percentage of young people of a given schooling age who are in school compared to the whole population of the same age.	World Bank
(LCDEM) is population growth.	Increase in the size of a population over a given period	World Bank
(LBDP) is the drinking water connection;	It's about <u>connection</u> from a home to a public or private water network via a specific pipe, generally made of PVC or polyethylene.	World Bank
(LPOPINAC) is the number of the inactive population;	The inactive population includes all people who are not engaged in gainful employment or who are not actively seeking one.	World Bank

estimation and interpretation

3.1: The growth equation:

We use equation (1) to understand the effects of the variables: FDI, inequality and the other variables that determine the growth equation in North Africa which are illustrated in the following table. The results of the first equation show that the trade openness variable is positive and significant

This result explains why the trade openness ratio is an important indicator in openness policies in North Africa. This result and on the contrary in Sub-Saharan Africa and according to the empirical results of NoomenLahimer (2009), which show that the trade openness ratio is not a good indicator for the economic openness policy.

Similarly, the results show that education has positive and significant effects on growth in North Africa. This comes down to the role of the institutional environment of the countries studied which encourages people to have access to education and engage in research.

$$\checkmark \text{ Growth equation: } C_{i,t} = \beta_1 I_{i,t} + E_1 IDE_{i,t} + D_1 X_{i,t} + \mu_{i,t}$$

Table 21: Results of the growth equation in North Africa (1995-2013)

variables	Coefficient	Probability
LPIB	-----	-----
LINV	0.026	(0.052)
IDE	0.108***	(0.40)
LOUV	0.023*	(0.001)
LGINI	-0.289***	(0.106)
LEDUCS	0.010	(0.025)
LINFL	-0.045	(0.069)
Constant	11,370***	(2.17)

Note: *** significant at the 1% level; ** significant at the 5% level; * significant at the 10% level.

The impact of FDI on economic growth is not significant and positive in TMCO. These FDIs do not generate a positive technological externality as in endogenous growth models.

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

After analyzing the impact of FDI on growth, we demonstrate the effects of income inequality on growth in North Africa, we use the work of Addison and Cornia (2001), to test the existence of an inverse “U” relationship going from inequalities to growth because with the existence of strong inequalities are detrimental to the sharing of the fruits of growth. For this purpose, the Gini index is introduced into the growth equation.

According to the result of the estimation, FDI has a negative but insignificant impact on poverty reduction in North Africa, an increase in the Gini index of 1 point causes a drop in growth of 0.298. The results of these two estimates are closer to the work of NoomenLahimer (2009), who found a coefficient between 0.130 and 0.63.

The results of the growth equation give very important remarks. The first remark at the level of the relationship between FDI and economic growth, the estimates show that FDI are not too encouraging of economic growth in North Africa. This comes down to their concentration in low added value activities or the exploitation of natural resources.

Moreover, the trade openness ratio is an important indicator in openness policies in North Africa. On the other hand, the domestic investment is not significant on the growth that returns to the effects of eviction of the multinational firms on the national companies.

The second remark can be seen in the relationship between inequality and economic growth. The results show that inequality has negative effects on growth. These effects can be explained by blockages between the different social categories as well as by economic distortions. A final remark concerns the relationship between education and growth. Education has a positive and significant effect on economic growth.

According to Collier (2007), the concentration of access to education on only one part of the population can encourage disparity and subsequently will exacerbate inequalities with institutional distortion. The analysis of the economic growth function shows the determinism of income inequalities. To understand the impact of FDI on poverty reduction, we move on to the second instrument, which is the relationship between inequalities and the other variables of the model (FDI, growth and institutions).

3.2: The inequality equation:

In this equation we will verify the effects of FDI, the effects of institutional variables and growth on inequalities. The level of inequality in North Africa is explained by the institutional characteristics of these countries. In this framework, we test the effect of the control of corruption on inequality. Despite the increase in the corruption control variable by 1 point, it implies an increase in inequality in North Africa from 0.9 to 1.8.

This effect shows that the fight against corruption does not have a favorable effect on reducing inequalities in North Africa. This comes down to the fact that corruption directly affects the interactions between economic agents such as the making of contracts, property rights, administrative procedures and the functioning of the public sector.

A reduction in corruption means greater equality in access to opportunities. Thus, this reduction constitutes arguments in favor of a fairer redistribution likely to favor the reduction of inequalities.

$$\checkmark \text{ Inequality equation: } I_{i,t} = A_2 C_{i,t} + E_2 IDE_{i,t} + D_2 W_{i,t} + e_{i,t}$$

Table 22: Estimate of the determinants of inequality in North Africa (1995-2013)

variables	coefficient	prob	coefficient	problem	coefficient	prob
Gini	Growth and FDI		With IDE and without growth		With growth and without FDI	
LPIB	-2.613**	(1,286)	-----	-----	-0.175	(0.663)
IDE	0.239**	(0.096)	0.104**	(0.056)	-----	-----
Linv	0.023	(0.008)	0.010**	(0.007)	0.0030***	(0.007)
Linf	-0.058*** (0.008)		-0.014***	(0.008)	-0.066***	(0.008)
Lccrp	0.009** (0.011)		0.014	(0.12)	0.018*	(0.010)
Louv	0.219*** (0.024)		0.061***	(0.020)	0.221***	(0.023)
CONSTANT	2,165 (0.25)		4,837	0.145	2,193	(0.24)

Note:***Significant at the 1% level;**Significant at the 5% level;*Significant at the 10% level.

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

Economic theories have shown the close relationship between FDI and inequality. They argue that FDI is very sensitive to inequalities in host countries. Indeed, the FDI coefficient is positive and not significant. Political economy models are adequate for understanding this result. Indeed, these models show that multinational firms indirectly reinforce the concentration of income at the top of the distribution, that is to say at the level of the elites.

The positive effects of FDI are qualified by appropriate institutional mechanisms in North Africa. Mary. Angels et al (2002) studied the relationship between political institutions and foreign direct investment and inequality in 119 developing countries. They lead to the fact that the corruption control index has a positive and significant effect on investment in these countries, because a good democracy encourages foreign direct investment which is an input to the economic growth of a country.

The authors recommend that governments should strive to develop and guarantee the rule of law and transparency. Henri (2013), recognizes that political stability and regulation of economic activity give a positive influence on economic growth in Africa. Some countries in North Africa receive a high level of FDI attraction but they register levels of high regional inequalities. These countries are: Tunisia, Egypt, Mauritania and Morocco.

Tunisia has long been considered a model of success by international organizations for economic performance: macroeconomic stability, achievement of economic reforms necessary for the liberalization of the economy, economic competitiveness and even achievement of certain social objectives.

However, the events of January 14, 2011 revealed inherent weaknesses in the country's development model: the benefits of growth have not been distributed evenly among the different regions of the country and regional development has been inequitable. very strong inter-regional social disparities between the eastern coastal areas and the interior regions of the west of the country. Whatever the indicator used, there are very significant differences.

3.3: The poverty equation:

In the analysis of the poverty equation, we focus on the study of the effects of FDI, income growth and inequality. The estimation of this equation constitutes the main objective in this work.

$$\checkmark \text{ Poverty equation: } IPH_{i,t} = A_3 C_{i,t} + \beta_3 I_{i,t} + E_3 IDE_{i,t} + D_3 Z_{i,t} + \varepsilon_{i,t}$$

Variables	coefficient	prob	coefficient	problem	coefficient	prob
LIPH	Growth and FDI		With IDE and without growth		With growth and without FDI	
LPIB	0.098	(0.015)	————	-----	0.146***	(0.037)
IDE	0.029*	(0.0013)	0.0130	(0.0246)	————	-----
lgini	-0.143*	(0.014)	-0.153**	(0.052)	-0.168**	(0.677)
The Duke	0.040***	(0.480)	0.418**	(0.134)	0.22***	(0.140)
LCDEM	-0.122	(0.144)	-0.320**	(0.142)	-0.089	(0.140)
LBDP	0.339**	(0.152)	0.428***	(0.157)	0.370**	(0.150)
LPOPINAC	-0.038	(0.31)	-0.027	(0.030)	-0.030	(0.018)
CONSTANT	7,135	(5.80)	14.72	(5.60)	5.48	(5.50)

Note:***Significant at the 1% level;**Significant at the 5% level;*Significant at the 10% level.

An increase in FDI of 1 point gives an increase in the HPI of 0.029 and 0.013 point. The results show that incoming FDI in North Africa has a direct positive impact on the HPI with reference to the period of 1995-2013.

These results call for several comments:

- First, they indicate the importance of FDI for the sustainable development of North Africa, particularly for the improvement of social conditions and the standard of living of the population. Indeed, the fact that inward flows of FDI are a determinant of the HDI confirms certain theses defended by the theories of endogenous growth and those favorable to sustainable development; for them, the integration of foreign investment into the local economy has important direct effects for national companies and the active workforce. As a result, the arrival of FDI has a positive impact on the quality of life and the qualification of workers in North Africa.

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

- The arrival of foreign investors and workers also has ripple and imitation effects on the population. Indeed, the significant efforts of these companies and the State to create a workforce capable of meeting the needs of these investments lead to a modification of the structure of society which seeks to adapt to new modes of life. The involvement of multinational companies in the construction of rural works for access to education, drinking water and rural electrification plays an undeniable role in this regard.
- The economic performance that has attracted FDI in North Africa, and on the other hand, FDI flows is not significant enough to improve and create sustained growth; shortcomings in the orientation of FDI by sector of activity and on the national space.

This result may also reflect shortcomings in the choice of development strategy based on an extroverted agricultural economy that gives little opportunity for internal competitiveness. There is also an explanation in the great vulnerability of this economy to the international economic and financial situation; attention to the benefit of foreign investors may have limits and does not produce the expected economic effect. These shortcomings could also justify the smallest increase in the HPI (0.012 to 0.03 point).

The effect of economic growth on the poverty indicator in North Africa is weak according to the result of the poverty equation. With an increase in growth of 1 point implies an increase in the Human Development Index (HDI) of 0.098. According to the World Bank's annual report on human development, most countries in the world have a high per capita GDP growth rate which is accompanied by an increase in the HDI which tends to converge towards the standards. higher.

When economic growth is higher than that of the population, it translates into a rise in the standard of living roughly measured by GDP per capita. This increase in material wealth per capita translates into an increase in the well-being of populations and an increase in human development. The accumulation of human and technological physical capital is sufficient to ensure a better quality of life for populations. Growth has also reduced poverty in which an individual or household cannot meet their physiological needs (absolute poverty) or their social needs (relative poverty).

Growth reduces poverty for two reasons:

- It increases the capacity of people to act more independently, to go beyond the simple stage of daily subsistence and to take charge of their destiny.
- It allows the State to collect resources to finance assistance services for the poor or to set up infrastructures that reduce illiteracy and life expectancy.

The effect of education on poverty reduction is positive and significant. With an increase in education of 1 point implies a slight increase in the HPI of 0.040. On the other hand, inactive populations have negative and significant effects, this variable acts negatively on the HPI. Next, the infrastructure (drinking water connection) has positive and non-significant effects at the HPI level.

CONCLUSION

In this article, the empirical study of the relationship between FDI and growth, and poverty yielded several important results concerning the countries of North Africa. She showed that the effects of FDI on poverty reduction can be broken down into three relationships. The first relationship is the positive effect of FDI on economic growth. They contribute to the increase of social and global well-being. However, the enclaved nature of FDI in the countries of the panel makes it difficult to envisage the existence of a technology transfer with local companies.

The second relationship is the effect of FDI on inequality. Through the empirical result of the inequality equation, FDI has contributed to the increase in inequalities in studies in North Africa which is the result between multinational firms and the nature of institutions.

For example, with a corrupt State and with political instabilities, they give the manifestation of social conflicts.

For the last relationship, it is the reciprocal effect between growth and inequality. The results show that the effects of growth on inequalities are negative. It increased in the first stage to fall afterwards [(-0.089) to (-0.175)]. On the Kuznets curve, the situation of a country depends on the institutional characteristics. The empirical results show that with the decline in control of corruption leads to the consolidation of the state which gives countries to obtain a reversal of inequalities.

For the direct effect of FDI on poverty reduction, the results show that FDI reduces poverty, but this is not statistically decisive. Because, poverty reduction is not well linked by the effects of FDI but by the most effective institutional policy that controls all types of corruption which gives a reduction in inequalities and that these have positive effects on poverty reduction.

These three relationships are summarized for the total effects of FDI in poverty reduction, FDI having a positive but weaker effect on growth and negative on inequality. This is robust with the results of our model, which shows that FDIs are not capable of demining the incidence of poverty. These effects are explained by the poor consolidation between the institutions and the multinational firms which have negative effects on the distribution of wealth to the entire population and in particular the poor.

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

REFERENCES

- 1) ADDISON, TG MAVROTAS (2003)“Infrastructure and Development in Africa”,paper presented at the UNU-TICAD III Expert Group Workshop, United Nations Center,Tokyo. pp 24-25.
- 2) AGOSSIN, MRR MAYER (2000)“Foreign Investment in Developing Countries.Does it Crowd in Domestic Investment? », UNCTAD/OSG/DP p 146.
- 3) AGOSIN, M. R. MYER (2000)“Foreign Direct Investment In Developing Countries:Does it Crowd in Domestic Investment? », UNCTAD Discussion pp 146.
- 4) AHLUWALIA, M. (1976)“Inequality, Poverty and Development”, World Bank.
- 5) AITKENS, G. , H. HANSON A.E. HARRISON (1997)“Spillovers, foreign Investment and Export Behaviour”, Journal of International Economics Cambridge and London: MIT Press, Fourth Printing, pp 43,103-132.
- 6) ALFARO, L. (2003)“Foreign Direct Investment and Growth: Does the Sector Matter?” », Working paper, Harvard Business School.
- 7) ALFARO, THE CHARLTON (2007)“Growth and the Quality of Foreign Direct Investment: Is All FDI Equal? », Working paper, Harvard Business School and NBER.
- 8) APERGIS, N., K. LYROUDIA A. VAMVAKIDIS (2008)“The Relationship between Foreign Direct Investment and Economic Growth: Evidence from Transitional Countries”, Transition Studies Review, 15 (1), pp 37-51.
- 9) ARTADI, ES MARTIN (2003)“The Economic Tragedy of the XXth Century: Growth in Africa”, Harvard University and Columbia University
- 10) AUGUSTIN, M, M. NGELEZA. (2009)“Determinants of Direct Investment at Abroad in developing countries: application made to the DRC”, UNIGOM. [B]
- 11) BALTAGI, B. (2005)“Econometric Analysis of Panel Data, Third Edition”, West Switzerland, Willey.
- 12) BALTAGI BADI, H., E. PETER P. MICHAEL (2004)“Estimating Models of Complex FDI: Are there Third Country Effects? », Mimeo.
- 13) BANERJEE, D. (2003)“Inequality and Growth: What Can the Data Say?” », NBER Working pp 7793.
- 14) WORLD BANK. (2012)“World Development Report”, Washington, World Bank.
- 15) BARRO (2000)“Inequality, Growth and Investment”, National Bureau of Economics Research, No. 7038.
- 16) BENDE, N. (2002)« Foreign Direct Investment in Sub-Sahara Africa: A co-integration analysis”, Economics Bulletin. Vol.6, pp 1-19.
- 17) BERNARD, K. (2010) “Governance and economic growth: an analysis of the threshold effects”, University of Abomey COLAVI.
- 18) BLOMSTROO, M H PERSSON (1983)“Foreign investment and spillover efficiency in an underdeveloped economy: evidence from Mexican manufacturing industry”, World Development, 11, pp 493-550.
- 19) BLOMSTROM, MA KOKKO (1996)“The Impact of Foreign Direct Investment on Host Countries: A Review of the Empirical Evidence”, The Development Economics Research Group on International Trade, Working, pp1745.
- 20) BOURGUIGNON, F (2002)“The growth elasticity of poverty reduction: Explaining Heterogeneity across countries and Time Periods, in: T. Eicher and S. Turnovsky, eds; Inequality and growth. Theory and Policy Implications”, Cambridge: The MIT Press.
- 21) BOURGUIGNON, F (2003)“The poverty, growth and inequality triangle”, Conference on poverty, inequality and growth, French Development Agency/ EU Development Network, Paris, November 2003.
- 22) BORENZTEIN, E., J. GREGORIO J. LEE (1998)“How does Foreign Direct Investment affects economic growth”, Journal of International Economics, pp 45, 115-135 .[VS]
- 23) CARKOVIC, MR LEVINE (2002)“Does Foreign Direct Investment Accelerate economic growth? », In TH Moran, EM Graham and M. Blomstrom, Does Foreign Direct Investment Promote Development, pp 195-220.
- 24) CHUDNOVSKY, DA LOPEZ (2004)“Transnational corporate strategies and foreign trade patterns in MERCOSUR countries in the 1990”, Cambridge Journal of Economics, September, 28, p 635-652.
- 25) UNCTAD (2008)“World Investment Report 2008”, Geneva, UNCTAD.
- 26) UNCTAD (2009)“World Investment Report 2009”, Geneva, UNCTAD
- 27) UNCTAD (2010)“World Investment Report 2010”, Geneva, UNCTAD.
- 28) UNCTAD (2010)“World Investment Report”, overview investing in a low carbon economy, united nations conference on trade and development, 22 July 2010.
- 29) UNCTAD (2010)“United Nations Conference on Trade and Development World Investment Report”, New York and Geneva: Publication of the United Nations.

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

- 30) DEININGER, KL SQUIRE (1998)“New ways of looking at old issues: inequality and growth”, In *Journal of Development Economics*, 57(1998): pp 259-287.
- 31) DUNNING, JH (1981)“Explaining the international direct investment position of countries: towards of dynamic or development approach”, *Welt wirtschaftlichesarchiv* 111.
- 32) EL-WASSAL, KA (2012)“Foreign Direct Investment and Economic Growth in Arab Countries (1970-2008): An Inquiry into Determinants of Growth Benefits”, *Journal of Economic Development*, 37 (4), pp 79-100.
- 33) El-Maksoud, SA Fouda, AS (2005).Some pyridine derivatives as corrosion inhibitors for carbon steel in acidic medium. *Materials chemistry and physics*, 93(1), 84-90.
- 34) FONTANGE, LM PAJOT (1991)“Direct Investment and Trade international: the French case”, *Economic Review*, (1999).
- 35) FONTAGNE, LP MICHAEL. (1999)"Foreign Direct Investment and foreign trade: a stronger impact in the United States than in France", *Economy and statistics*, pp 326-327.
- 36) GORG, G. (2001)« Foreign Direct Investment and Intra-Industry Spillovers: A Review of the Literature”, *GEP Research*, p 37. *Leverhulme Centre*.
- 37) GORG, HD GREENAWAY (2002)"Much Ado about Nothing?" Do Domestic Firms Really Benefit from Foreign Direct Investment? », *Center for Economic Policy Research, CEPR Discussion*, pp 3485.
- 38) HANSON, G., RJ MATALONI JM SLAUGHTER (2001)« Expansion Strategies of Multinational Firms”, *NBER Working*, pp 8433.
- 39) HANSON, HJ RAND (2006)“On the Causal Links between FDI and Growth in Developing Countries”, *the World Economy*, 29 (1), pp 21-41.
- 40) HARRISON, AM MILLAN (2002)“Does Direct Foreign Investment affect domestic firms credit constraints? », *University of California, Berkeley*.
- 41) IBRAHIM, N. (2008)“FDI in Central Africa attractiveness and effects economic ". *University of South Toulon –Var-LEAD*, pp 14-22.
- 42) JENSEN, NMG ROSAS (2007)“Foreign Direct Investment and Income Inequality in Mexico, 1990- 2000”, *International Organization*, 61(3), pp 467-487.
- 43) KAKWANI, NK SUBBARAO (1992)“Rural poverty and its alleviation in India: a discussion”, *Journal: Economic and political Weekly*.
- 44) KAKWANI, N. (1993)“Poverty and economic growth with application to Côte d'Ivoire", *Review of Income and Wealth*, pp 39.
- 45) KLEIN, MWES ROSENGREN (1994)“The Real Exchange Rate and Foreign Direct Investment in the United States: Relative Wealth versus Relative Wage Effects”, *Journal of International Economics*, 36 (3/4), pp 373-389.
- 46) KLEIN, M., C. ARON B. HAJIMICHAEL (2001)“Foreign Direct Investment and Poverty Reduction”, *World Bank, Working Paper on the policy research*, pp 613.
- 47) KOLSTAD, IT TONDEL (2002)“Social Development and Foreign Direct Investment in development countries”, *Institute report*.
- 48) LAHIMER, N. (2009) “The contribution of Foreign Direct Investments to the poverty reduction in sub-Saharan Africa”, *Paris – Dauphine University, LEDA*, pp 13-19 and 33-75.
- 49) LAHIMER, N. (2009)« FDI and Domestic Investment in Africa Sub-Saharan: eviction effect or stimulation effect? », *Paris-Dauphine University, LEDA*, pp2-19.
- 50) LAHIMER, N. (2009)“FDI and the triangle: growth, inequality and poverty: applications to Sub-Saharan African countries”, *Paris – Dauphine University, LEDA*, pp 3-27.
- 51) LIPSEY, R. (2000)“Inward FDI and Economic Growth in Developing Countries”, *Transnational Corporations*, 9 (1), pp 67-95.
- 52) LIPSEY, RF SJOHOLM (2001)“Foreign Direct Investment and wages in Indonesia manufacturing”, *NBER working*, pp 30.
- 53) LOEWENDAHL, H., E. ERTUGAL T. LOEWENDAHL (2001)"Turkey's performance in Attracting FDI", *European Network of Economic Policy Research Institutes Working*, pp. 8.
- 54) MENEGALDO, FE Moustier (2002)"Foreign Direct Investment Flows and international trade within the framework of the Euro-Mediterranean partnership”, *Revue African Economics and Management Sciences*, pp 131-149.
- 55) MICHALET, A. (1999)“The Seduction of Nations or How to attract investments”, *Economica*, Paris.
- 56) MORRISSET, JN PIRNA (2000)“How tax policy and incentives affect foreign direct investment”, *World Bank Working*, pp 2509.
- 57) MOSLEY, P., J. HUDSON S. HORRELL (1987)“Aid, the Public Sector and the Market in Less Developed Countries”, *Economic Journal* 97(387), pp 616-641

FDI and the Triangle “Growth, Inequality and Poverty” in North Africa

- 58) Moosa, I. (2002). Foreign direct investment: theory, evidence and practice. Springer.
- 59) NICOLE, A., A.TCHAKPON MSSOMOKPA THIERRY EJ AKPO PASTOR (2006) “Governance and effectiveness of financing policies for the development”. MPIA Research Papers 2006, pp 11-15.
- 60) NIGH, D. (1986) “Political events and the Foreign Direct Investment decision: an empirical examination”, Management Decision Economics, Vol. 7 (June), pp 99-106.
- 61) OECD (2002) “Foreign Direct Investment at the service of development: maximizing benefits minimizing costs”, Paris.
- 62) OECD (2002) “Foreign Direct Investment for Development: Maximizing Benefits Minimizing costs: overview”.
- 63) OECD (2002) “Growth, Technology and Foreign Direct Investment”, OECD Global forum on International: New Horizons and policy challenge for Foreign Direct Investment in the 21 century.
- 64) OMAN, C. (2000) “What policies to attract FDI? A study of the competition between governments”, OECD Development Center Study, Paris.
- 65) PEROTTI, R. (1994) “Income distribution and Investment”, European Economics Review 38(3-4): pp 827-835.
- 66) UNDP (2001) “Human Development Report. World Bank”.
- 67) QUAH, D. (1995) “Empirics for economic growth and convergence”, European Economic Review, 40, pp 1353-1376.
- 68) RAVAILLON, M. (1997) “Can high-inequality developing countries escape absolute poverty? », Economic Letters 56(1): pp 51-57.
- 69) Ravallion, M. (2007) “Economic growth and poverty reduction: Do poor countries need to worry about Inequality? 2020 focus brief on the world's poor and hungry people”, Washington, DC: International Food Policy Research Institute.
- 70) Resmini, L. (2003). Economic integration, industry location and frontier economies in transition countries. Economics systems, 27(2), 205-221.
- 71) ROBEERTSON, CJ, A. WATSON (2004) “Corruption and Change: The Impact of Foreign Direct Investment”, Strategic Management Journal 25: pp 385-396.
- 72) RODRIK, D., A. SUBRAMANIAN F. TREBBIA (2004) “Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development”, Journal of Economic Growth, vol. 9, pp 2.
- 73) ROMER PAUL, M. (1993) “Ideas gaps and object gaps in economic development”, Journal of Monetary Economics, 32(3). pp 543-573.
- 74) SINGH, RD (1985) “State Intervention, Foreign Economic Aid, savings and growth in LDCs: some recent evidence”, Kyklos 38(2), pp 216-32.
- 75) SQUIRE, L. (1998) “Explaining International and Intertemporal Variations in Income Inequality”, Economic Journal, 108, pp 26-43.
- 76) TOWNSED, P. (1979) “Introduction: concepts of poverty and deprivation”, poverty
- 77) TOWNSED, P. (1979) “Introduction: concepts of poverty and deprivation”, poverty in United Kingdom: A survey of household resources and standards of living, pp 31-60.
- 78) VELDE, DWM MORRISEY (2001) “Foreign ownership and wages: evidence from five African countries”, CREDIT Research, University of Nottingham, pp 01-19.
- 79) WEI, SJ (2000b) “Local corruption and global capital flow? », Brooking papers on Economic activity, 20(2), pp 303-346.
- 80) WEI, SJ (2000a) “How taxing is corruption on international investors? », Review of Economics and statistics, 82(1), pp 1-11.
- 81) WOOD, AK BERGE (1997) “Exporting manufactures: human resources, natural resources and trade policy”, The Journal of Development Studies 34(1) pp 35-59.
- 82) WOOD, A. (2000) “The north south trade and inequality”, North Holland.
- 83) WOODWARD, DPRJ ROLFE (1993) “The location of Export-oriented Foreign direct investment in the Caribbean basin”, Journal of International Business Studies, vol. 24, first quarter, pp 121-144.
- 84) YOUSSEF, A. (2004) “The enlargement of Europe seen from the south”, Revue Confluences Mediterranean N°46, September 2003.
- 85) ZHANG, KH (2000) “Human capital, country size, and North-South manufacturing Multinational Enterprises”, Economical International Vol. (53) No2, pp 237-260.



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.