

CONFIGURING WESTERN ASIA IN TERMS OF POPULATION, CAPITAL INCOME AND HUMAN DEVELOPMENT: A CRITICAL POLITICAL ECONOMY APPROACH

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Abstract

The purpose of the research is to configure the region of Western Asia and a reference country Belarus in three dimensions of a political economy: population, capital income (GDP/GNI PPP) and human development (HDI). The author analysis the diversity within a target region and between the region and the reference country, show where it fits in the scale of world experience and point shortcomings in the data as well as in measurements. Comparative analysis technique is used.

Key words: population, GDP, GNI PPP, human development index, comparative analysis

1. INTRODUCTION

The paper contains the results of the serial research an objective of which is to configure the region of Western Asia and a reference country Belarus in three dimensions: population, capital income (GDP/GNI PPP) and human development (HDI). We conduct a comparative analysis putting our target region and a reference country along the spectrum of the other countries in the world, as well as we make comparisons within the region and with the reference country.

Before we dig into the issue, we need to briefly introduce ourselves through several questions.

(1) Which countries and regions are we “configuring”?

Western Asia and Eastern Europe are the chosen regions. Western Asia region includes Armenia, Azerbaijan, Bahrain, Georgia, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestinian Territories, Qatar, Saudi Arabia, Syrian Arab Republic, Turkey, United Arab Emirates, Yemen and Bahrain. In order to exclude a statistical influence of outliers Bahrain is not included in the research as a small state.

We selected Belarus as a reference country for three reasons.

First, Belarus is a rather developed country in terms of industrialization, agriculture and corresponding science, while most countries in the region are still in developing stage. We expect to find out differences between developed and developing countries through comparative analysis.

Second, the Republic of Belarus adheres to the social-oriented market economy. It is an export-oriented state with a well-developed production sector, services sector and agriculture. Belarus accounts for 17% of the world's output of harvesters, 6% of tractors, 6.4% of flax fibers and 2.8% of potatoes. It is looking for new markets and spheres of cooperation. Thus, that is interesting to configure Belarus on the world map from the standpoint of political economy approach.

Third, since recently Belarus has been developing economic, political and cultural relations with the Middle East countries and former USSR countries, located in Western Asia. Thus, Western Asia is a region of a particular interest for Belarus in terms of international collaboration. The findings of the analysis could be useful from the viewpoint of strengthening of international relations within/between target region and the reference country.

(2) Units of analysis

The first set of data we will examine is population. We are interested in population because it offers us a quick guide to the size of the states, to their economic and military potential. We are also interested because we regularly divide different data by population, to reduce it to a common unit. What is more, many measures are expressed in per capita terms.

The second item we will examine is a country's national income, precisely its subcategory, gross domestic product (GDP), which is a measure for a country's output over a calendar year. It is important to remember that some states only began to collect national income data in the 20th century. Moreover, the practice has become common after the World War II. Calculation of national income is much more complex than counting people, and the possibility for error is much larger.

We are interested in national income for several reasons. When we convert national income in a common currency (like dollar), it provides an indicator of how large a country's economy is in relation to the rest of the world. On this basis, we used to make statements about how rich or poor a country was. Nevertheless, since 1970s economists started to calculate a better basis for national income comparisons, purchasing power parities (PPP). The use of PPP has provided us a clearer measure for comparing levels of consumption between countries. However, we have to note that errors in the original calculation remain. Additionally, the capital income measured is still an average. It does not tell us much about the degree of poverty, the definition of which, obviously, must be extended so that it includes more than the simple level of income.

Therefore, the third item we will examine is a human development index (HDI), which was launched by the UN Development Program in 1990. HDI takes into account such factors as access to education and health as well as describing living standards.

(3) How do we configure the world?

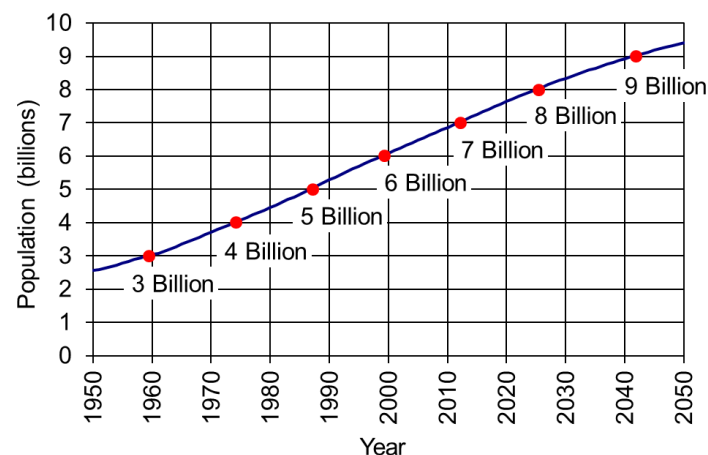
We place a region of interest, Western Asia, and a reference state, Belarus, along the spectrum of the other countries in the world. We begin with ranking the data of all the world economies in ascending order, and draw a diagram. We highlighted our regions in grey and our reference country in black. This way we see how our countries are located in the world. Then we describe whether the countries in a chosen region are at the top, middle, bottom or scattered randomly; whether they are similar or clustered, or diverge radically; how they are in comparison with the reference state. Finally, we analyze the nature of the data and offer possible explanations for the observed results, including criticism of the data, hypotheses and expectations.

2. CONFIGURING WESTERN ASIA IN TERMS OF POPULATION

Configuring the world in terms of population, we examine its growth and distribution, as well as assess the accuracy in measuring it.

The figure below suggests that global population in 2050 will grow from the current 7,238 billion to about 9.2 billion, an increase of about 35% (Theis, Jonathan 2014).

Figure 1. World population growth with projections



Source: United States Census Bureau 2010

We can see that the world's population exploded over the 20th century. It had also been accompanied by a market shift in its distribution (Griffiths 2012). The largest relative gains were in Africa and Asia, and the greatest relative decline was in Europe. The impact of modern medicine, control of killer diseases caused a large fall in death rates. These factors plus increase in a birth rate caused population growth in that region. The same factors also affected Europe, but here they were accompanied by a fall in the birth rate, even below replacement levels, as women delayed the start of child bearing and reduced family size (Griffiths 2012).

The consequences above present two kinds of challenges:

- (1) high birth rate in Africa and Asia leads to unemployment problem;
- (2) lower birth rate in Europe have to cope with aging of population and the increased costs of health expenditure. What is more, they have to do both of these with a much smaller potential productive base.

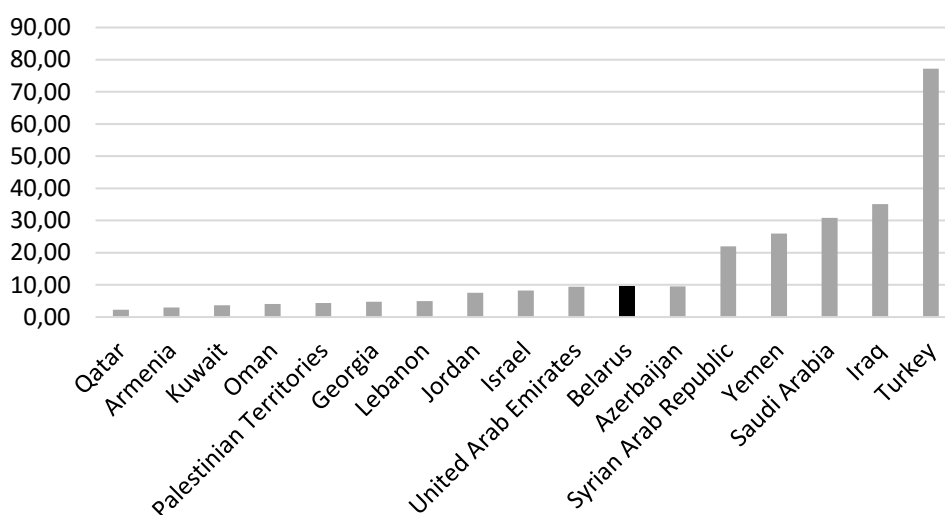
When we talk about quantitative data, it is useful to remember about the accuracy of data collection. It depends largely on the efficiency of statistical agencies. In poorer countries, with fewer financial resources, the less trustworthy the data. In remote or rural areas births and death rates often remain unrecorded. Political context and errors (like not taking into account migration flows) are also the factors that influence the accuracy of the statistics (Griffiths 2010).

Nevertheless, we use the latest statistical data on population in an attempt to measure it.

For the purpose of our analysis we have ranked the population size of all countries with a population above 1.5 million, and listed China (1364.1 mln) and India (1296.2 mln) separately so as not to distort the scale too much (avoid outliers). Then we divided the map of the world population into deciles.

From the Figure 2 we can see that countries in Western Asia and our reference country Belarus locate scattered randomly along the spectrum of the world population.

Figure 2. Population of Western Asia and Belarus, 2014 (million people)



Source: constructed by the author based on data from Population Reference Bureau 2014b

The countries of Western Asia could be united in size-groups (clustered): (1) Turkey has the highest number (close to 80 mln) and it is an exception for the region in population terms; (2) Iraq and Saudi Arabia form the separate group in the 3rd decile; (3) Syria and Yemen form the other group in the 4th decile; (4) Jordan, Israel, UAE and Belarus form the largest cluster in the 7th decile with the population less than 10 mln; (5) all other countries of the region are located approximately even across the 8th-10th

deciles and have less than 10 mln. If to compare the reference state with the countries of the region, we can see that Belarus by population numbers might be included in the group with less than 10 mln., which represents the majority of countries in the region.

In order to analyze the situation more carefully we constructed Table 1(a,b), which represents population indicators along with the government policies, and Figure 3, which shows population annual growth rate with projections up to 2023.

Table 1a. Population indicators and government views and policies, 2013

	Annual growth rate, %	View on growth / Policy on growth	Population density, per sq. km	View on spatial distribution	Life expectancy at birth, years	View on life expectancy at birth
Belarus	-0.49	Too low / Raise	45	Major change desired	69.8	Unacceptable
Armenia	0.18	Too low / Raise	100	Major change desired	74.5	Acceptable
Azerbaijan	1.11	Satisfactory / Raise	109	Minor change desired	70.6	Unacceptable
Georgia	-0.39	Too low / Raise	62	Major change desired	74.2	Unacceptable
Iraq	2.89	Too high / Lower	77	Major change desired	69.4	Unacceptable
Israel	1.3	Too low / Raise	349	Major change desired	81.7	Acceptable
Jordan	3.5	Too high / Lower	81	Major change desired	73.8	Acceptable
Kuwait	3.61	Too low / Maintain	189	Satisfactory	74.2	Acceptable
Lebanon	3.04	Satisfactory / No intervention	464	Major change desired	79.8	Acceptable
Oman	7.89	Satisfactory / Maintain	12	Satisfactory	76.4	Acceptable
Palestina	2.51	“-/ Lower	719	Major change desired	73.1	-
Qatar	5.90	Satisfactory / Maintain	197	Major change desired	78.3	Acceptable
Saudi Arabia	1.85	Satisfactory / Maintain	13	Minor change desired	75.4	Unacceptable
Syrian Arab Republic	0.67	Too high / Lower	118	Satisfactory	74.4	Acceptable
Turkey	1.22	Satisfactory / Maintain	96	Minor change desired	75.1	Acceptable
United Arab Emirates	2.52	Satisfactory / Maintain	112	Satisfactory	76.7	Acceptable
Yemen	2.30	Too high / Lower	46	Major change desired	63.0	Unacceptable

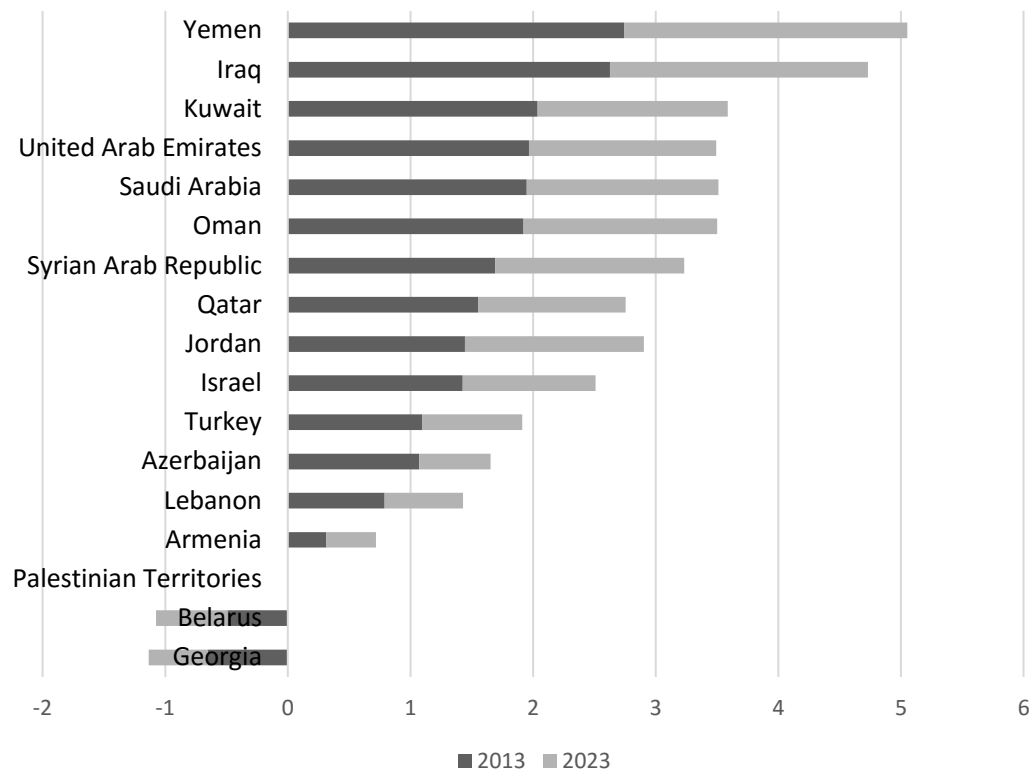
Source: constructed by the author based on data from World Population Ageing 2013 and World Population Policies 2013

Table 1b. Population indicators and government views and policies, 2013

	Total fertility level, children per woman	View on fertility level / Policy on fertility level	International migrant stock, thousands	Net migration rate, per thousand	View on immigration / Policy on immigration	View on emigration / Policy on emigration
Belarus	1.5	Too low / Raise	1085	-0.21	Satisfactory / Raise	Too high / Lower
Armenia	1.7	Too low / Raise	317	-3.36	Too low / Raise	Too high / Lower
Azerbaijan	1.9	Satisfactory / Raise	324	0.00	Satisfactory / Raise	Satisfactory / Maintain
Georgia	1.8	Too low / Raise	190	-5.75	Satisfactory / Maintain	Too high / Lower
Iraq	4.1	Too high / Lower	96	2.70	Satisfactory / Maintain	Too high / Lower
Israel	2.9	Too low / Raise	2047	-1.96	Too low / Raise	Too high / Lower
Jordan	3.3	Too high / Lower	2926	11.31	Too high / Lower	Too low / Raise
Kuwait	2.6	Too low / Raise	2028	19.25	Too high / Lower	Satisfactory / No intervention
Lebanon	1.5	Satisfactory / No intervention	850	21.29	Satisfactory / Maintain	Too high / No intervention
Oman	2.9	Satisfactory / Lower	1112	59.19	Satisfactory / Maintain	Satisfactory / No intervention
Palestina	4.1	“- “/ Lower	257	-2.04	“- “/ No intervention	“- “/ Lower
Qatar	2.1	Satisfactory / Raise	1601	48.78	Too high / Lower	Satisfactory / No intervention
Saudi Arabia	2.7	Satisfactory / Raise	9060	2.10	Too high / Lower	Satisfactory / Lower
Syrian Arab Republic	3.0	Too high / Lower	1394	-13.70	Satisfactory / Maintain	Too high / No intervention
Turkey	2.1	Satisfactory / Maintain	1865	0.94	Satisfactory / Maintain	Satisfactory / Maintain
United Arab Emirates	1.8	Satisfactory / Maintain	7827	11.41	Too high / Maintain	Satisfactory / No intervention
Yemen	4.1	Too high / Lower	315	-1.12	Too high / Lower	Satisfactory / Raise

Source: constructed by the author based on data from World Population Ageing 2013 and World Population Policies 2013

Figure 3. Population annual growth rate in Western Asia and Belarus, with projections, %



Note: no data for Palestine

Source: constructed by the author based on data from World Development Indicators 2015 provided via Gapminder

The Figure 3 shows that Turkey has a growing population with a tendency to slow down by 2023. Interestingly, Turkey is the only one out of the whole region where population indicators interpreted as “acceptable” / “satisfactory” by the government, and there is no changed needed (Table 1a,b). We believe this is due to the weighted policy of the Erdogan-government, which, in general, improved economic, social and political indicators of the country during his governance.

The group “Iraq and Saudi Arabia” has a growing population with a tendency to slow down in perspective. We should admit that Arabic nation traditionally tends to have big families, which leads to higher population growth rates. Saudi Arabia has low population density that might explain the policy to raise fertility rate and growth rate, consequently. This is an oil-rich country where population benefits from oil-rents, there are many labor-immigrants, and the statistics reveals that. The data on Iraq seems doubtful because of the war since 2003 and armed conflicts in the country, and, as a consequence, migration flows and in general inefficiency of statistical censuses in such situation. Iraq is also an oil-rich country, and during the war only international corporations (oil extracting and military companies) benefit while the statistics shows high level of emigration and unacceptable life expectancy at birth. In spite of the fact that population growth considered as “too high”, fertility rate and other indicators already decreased. Interestingly, before 2005, population growth considered as “too low” (Table 1a). Nevertheless, nowadays officials declare that population growth is still high and should be decreased. As a hypothesis, we could explain this by the following: during Saddam Hussein governance windfall profit oil rents were partially distributed among population groups through social programs and opportunities for national business; currently oil rents are distributed among international corporations, and Iraqi population moves towards poverty in the long run.

In the group “Syria and Yemen”, it is also difficult to rely on statistical data because of the war in Syria. In this situation, statistical data is slightly better than random choice. Existing data show the population growth in both countries, especially in Yemen, which has the highest annual growth rate across the region. In Yemen 2/3 population is rural. Traditionally families have large size. These factors might explain high population growth rate. One should admit, this indicator still grows but gradually slows down. During the war in Syria, living standards worsened dramatically, and we observe high level of emigration, and decreasing of other population indicators too. To the point, population density in Syria is 3 times lower than, for example, in neighbor-Israel (Table 1a). In 2013, officials reported that population growth rate was still high and should be decreased. Is the war the way to do that?...

The group “Jordan, Israel, UAE and Belarus” could be split up into two subgroups: Jordan and UAE are Arabic countries with features of large family sizes and, consequently, currently big fraction of young population. The population growth rate in UAE is rather high across the region with a tendency to slow down a bit. The projections show that population of Jordan will increase by 2023. Additionally, we also have to take into account refugee problem because of many armed conflicts in the region that will also increase the number of people in the country, which has a few resources. Israel and Belarus are closer to each other in terms of family planning, with a tendency to support a fertility rate at a replacement level. The data show that Israel has a growing population, in large part due to a migration policy, supporting repatriation of Hebrews, from Belarus as well. In the last years, population growth in Belarus fluctuates around zero, with a projection to decrease by 2023. Before the World War II population of Belarus was about 33 million, but during the war every fourth citizen was killed. Until recently, the country has difficulties to restore prewar level of population. Possible explanation for this is as follows. Firstly, after the collapse of USSR and economic difficulties in the country many people immigrate and until today this process continues but in a lower rate. Secondly, even though the government provides a family policy supporting large families, fertility rate is still not enough to increase the population. About 100 % women are employed, working day is long, and some social problems cannot also be contributing factors to change the situation for better.

On balance, the difference in population numbers mainly depends on history factors and traditions that form the base for the population level in a country. Government family policies and economic prosperity are important factors too. Countries with greater prosperity and opportunities attract both legal and illegal immigrants. The analysis show that population is very weakly related to land area.

3. CONFIGURING WESTERN ASIA IN TERMS OF CAPITAL INCOME

Alongside population, production output is probably the most common way in which we describe the world. In this section, we will analyze its distribution as well as assess the accuracy in measuring it.

When we talk about rich and poor countries, we are employing ‘national income’ statistics, more precisely composite indices – Gross Domestic Product (GDP) and Gross National Product (GNP). Curiously, none of them measure output. In fact, GDP and GNP provide data on transactions. GDP only records income in terms of cash, and not in goods or services. Thus, if no cash changes hands, it will have no impact on GDP calculation. To complicate matters, some transactions are deliberately excluded (informal, unrecorded economy). Moreover, statisticians do not measure transactions per se but the value added between each transaction. The results are usually expressed in a common currency, in current values. We use this form of calculation when we assess the impact of the countries on the world economy, and less when we look at their relative incomes or spending powers (Griffiths 2010).

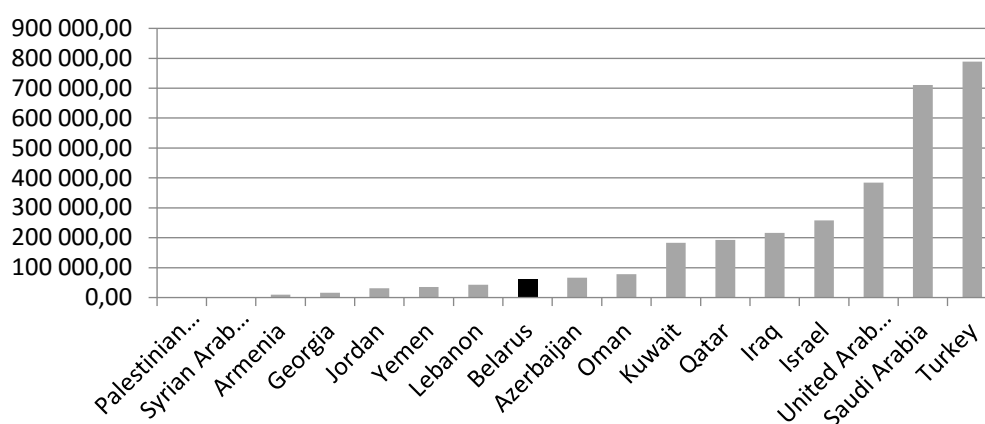
Accuracy of data collection is of the greatest importance. Along with other statistical data GDP is imperfect in its calculation by several reasons: carelessness and irregularity of data collection, especially in poor countries; lack of financial resources, underpaid staff and underequipped statistical bureaus that results in random numbers; baffling complexity to measure informal sector (shadow economy); fraudulent reporting by government (for example, to hide the size of country’s debt); legitimate re-estimations (Griffiths 2010). Nevertheless, GDP is a traditional approach to estimate the size of the economies.

Taking into account the difference in purchasing power parity between countries, we get GDP PPP, which is used to make comparisons over time (especially for per capita comparisons) in discussions on poverty and economic growth. It equalizes price differences. When we work with the world of real payments, we should always deal in real dollars. When we look at the differences in per capita incomes between countries, the PPP statistics is more relevant.

The distribution of income in the world scarcely related to the population distribution. The world economy remains dominated in size by Europe, North America and Japan.

Firstly, we will pay our attention to the world's GDP in current dollars, showing the relative size of the world's economies. Then, we will look at the GDP (GNI) per capita, PPP, which is adjusted for differences in purchasing power. For the purpose of our analysis, we have ranked by GDP size all the countries in the world with a population above 1.5 million. Then we divided the map into deciles. Figures 4–6 are based on the latest available data.

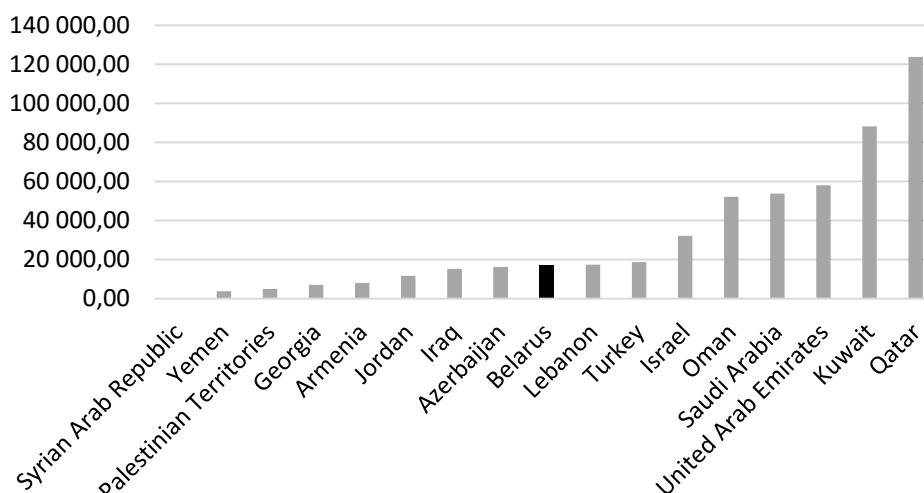
Figure 4. GDP in current dollars, 2012 (million dollars)



Note: no data for Palestine and Syria

Source: constructed by the author based on data from World Development Indicators 2015

Figure 5. GNI PPP per capita, 2013 (US dollars)



Note: no data for Syria

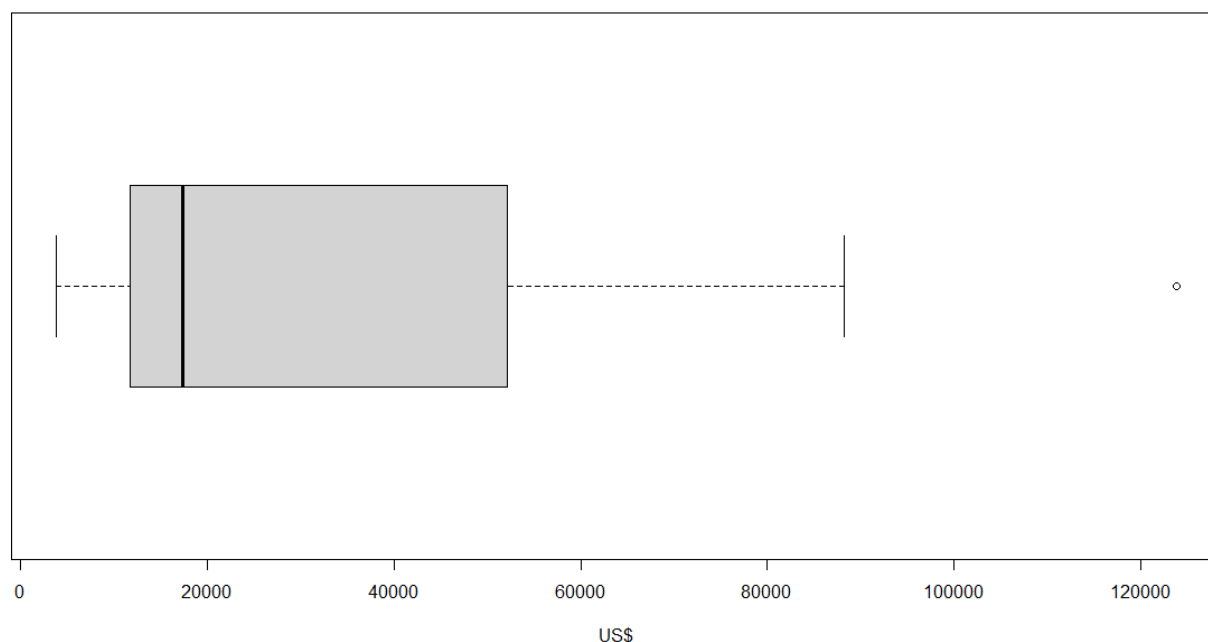
Source: constructed by the author based on data from World Development Indicators 2015

As the GDP in current dollars and GDP based on PPP per capita countries in our target region locate scattered randomly along the spectrum of the world GDP, with the shift to the bottom. Belarus is located in the middle, with a slight shift to the bottom.

Countries of the region diverge radically. The Figure 6 shows that distribution of GNI PPP per capita across the region of Western Asia is right skewed, which means that relatively small values prevail in the distribution.

Figure 6. Box-and-whiskers plot: distribution of Gross National Income (PPP per capita) in Western Asia plus Belarus, 2013

Distribution of GNI PPP per capita in Western Asia, 2013



Source: constructed by the author based on data from the World Bank provided via Population Reference Bureau 2014a

We observe a right outlier, Qatar's economy, with an extremely high value of GNI PPP per capita. Looking at per capita GDP PPP, there is a cluster of all Arabic oil-rich countries in the 1st decile (descending): Qatar, Kuwait, UAE, Saudi Arabia, and Oman. To the point, these five countries from the region belong to the 20 richest countries in the world in per capita GDP. In the 7th decile of the world map of GNI PPP per capita are Israel and Turkey. To the point, Israel is the most economically and industrially developed country in the whole Western Asia, because its economy is based on high technology (it has an analogy of Silicon Valley in the USA). Due to the structural reforms (increasing the role of the private sector, efficiency of financial system, improved investment climate) Turkish economy demonstrates highly dynamic growth. In the 8th decile there are our reference country Belarus, Azerbaijan, Iraq, Lebanon and Jordan. Belarusian economy is largely based on industrial sector (which was strong in the former USSR), Russian petroleum refining, oil re-export and export of potash fertilizers. Economic growth of Azerbaijan is largely based on developing of fuel-energy sector, large volumes of oil extraction and its export. Jordan is a desert country and poor with natural resources. Oil-rich Iraq is currently convulsed with the war. Armenia and Georgia are former USSR countries, which currently survive the transformational recession. Other countries of the region are located in the 9th decile (Armenia, Georgia) and 10th decile (Palestine, Yemen).

Looking at GDP in current values, the situation undergo some changes in comparison with per capita GNI PPP. In the 2nd decile, we can see economies of Turkey and Saudi Arabia as the largest in the

region. In the 3rd decile, there are Israel and UAE. In the 4th decile, there are Iraq, Qatar, and Kuwait. In the 5th decile, there are Oman, Azerbaijan and our reference country Belarus. In the 6th decile, there are Lebanon and Yemen. In the 7th, 8th, and 9th deciles there are Jordan, Georgia and Armenia, correspondingly.

To sum up, the highest economic growth is demonstrated by economically, politically and socially stable oil-rich countries and high-tech Israel (leader in the region). Countries that are poor with natural resources, having undeveloped processing sectors of their economies, undergoing transformational recession demonstrate lower economic growth rates. If to compare our reference country Belarus with the countries from Western Asia in economic growth terms, it is in the middle of spectrum. Interestingly, if to look on the diagram of per capita GNI PPP, Belarus looks as a middle point (median) dividing the spectrum on two groups: (1) stable oil-rich countries plus Turkey, Israel and Lebanon; (2) countries either poor with resources or being in recession or suffered in wars.

4. CONFIGURING WESTERN ASIA IN TERMS OF HUMAN DEVELOPMENT

In 2005, the World Bank defined poverty as the number of people consuming less than \$1.25 a day at 2005 PPP dollars. Here we should admit that, firstly, target is not per capita PPP, and, secondly, the target is consumption, not output. On this base, the World Bank estimated that a quarter of the population in developing countries was now living in poverty. In addition, we should note that when the UN formulated the Millennium Development Goals, it incorporated the \$1.25 target as one of its indicators (The Millennium Development Goals Report 2013). It aimed at halving extreme poverty compared to 1990 by 2015. For the long time we used to use GDP indicators and its modifications as a measure of progress in all spheres. However, some scientists argued that human development should not be just a question of changes in capital incomes. And here we should be grateful to the Pakistanian economist Mahbub ul-Haq whose team proved that income is not the only factor influencing wealth and happiness (Ul Huq 1976). We have to take into account other dimensions like access to education and health. In line with this thinking, the UN Development Program (UNDP) constructed a human development index (HDI) and launched it in 1990 (UNDP Human Development reports 2014).

HDI is made up of three components weighted equally – health, knowledge and living standards. One should admit that this composite index also faces criticism on three grounds: weighting (is every part equal 1/3 fair?), standardization (how to deal with variables with different dimensions), selection (what dimensions should be included into the index). Overall, HDI gives a more representative portrait of humankind's condition.

If we examine the decile map of the global distribution of the HDI, we will see that the highest levels of development generally are to be found among the higher income countries and that the lower end of the spectrum is filled with poorer countries. Even though income is not the only factor in the HDI index, it has a large influence on expenditure on education and healthcare. There are some other interesting differences at the top end of the spectrum. Table 2 shows that eight of the fifteen richest countries in the world are also represented at the top of the HDI rankings. On the other hand, the oil-rich Arab states, which ended high in the GNI PPP per capita rankings, do not appear at all at the top of the HDI. For example, rich Qatar, taking the 1st place in the world by GNI PPP per capita, takes only 32nd place by HDI; Kuwait takes the 3rd place by GNI PPP per capita but only 48th place by HDI; UAE takes the 7th place in the world by capital income but only 41st place by human development.

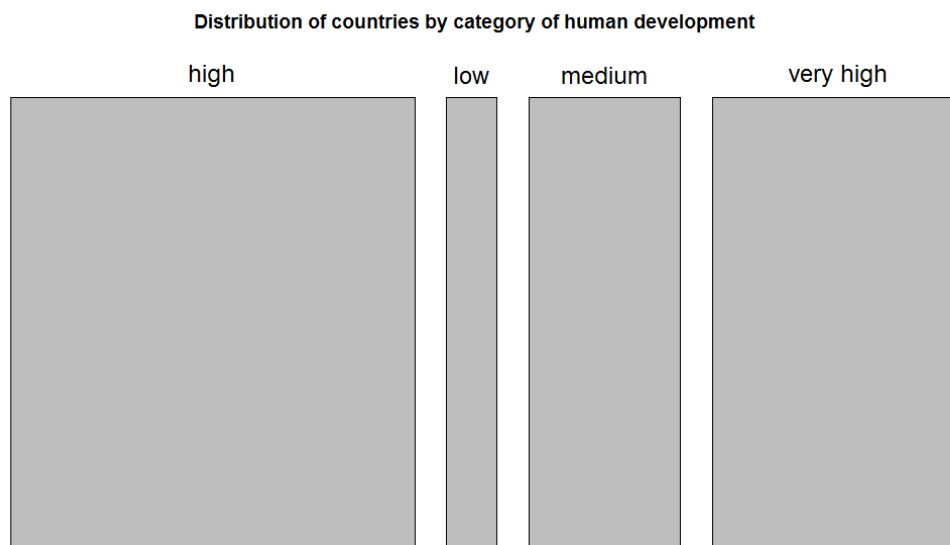
Table 2. Highest HDI and GNI PPP per capita in the top-15 world countries, 2014

Highest HDI, 2014		Highest GNI PPP per capita (\$US), 2014	
Norway	0.944	Qatar	\$133,850
Australia	0.935	Macao, SAR	\$118,460
Switzerland	0.930	Kuwait	\$87,700
Denmark	0.923	Singapore	\$80,270
Netherlands	0.922	Brunei	\$71,020
Germany	0.916	Norway	\$65,970
Ireland	0.916	United Arab Emirates	\$63,750
United States	0.915	Switzerland	\$59,600
Canada	0.913	Luxembourg	\$57,830
New Zealand	0.913	Hong Kong, SAR	\$56,570
Singapore	0.912	United States	\$55,860
Hong Kong, China (SAR)	0.910	Saudi Arabia	\$53,760
Liechtenstein	0.908	Netherlands	\$47,660
Sweden	0.907	Germany	\$46,840
United Kingdom	0.907	Sweden	\$46,710

Source: constructed by the author based on data from Population Reference Bureau 2016 and UNDP Human Development reports 2014

If ranked in ascending order, countries of Western Asia locate clustered. Our reference country Belarus belongs to this cluster and locates in its higher part. The Figure 7 reveals that the majority of countries of Western Asia belong to the “high” and “very high” development categories, and this is a good new.

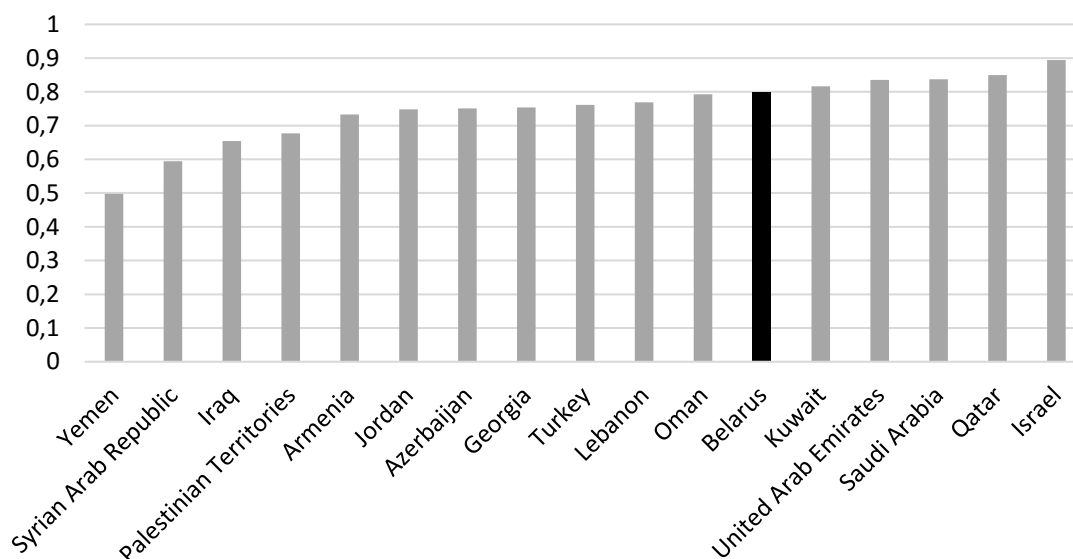
Figure 7. Mosaic plot: distribution of countries of Western Asia and Belarus by categories of human development



Source: constructed by the author based on data from data from UNDP Human Development reports 2014

From our point of view, Western Asia region is a good example of the thesis that income is not the only factor representing welfare of the country. If to compare with previous spectrum analyses of countries in terms of GDP/GDP PPP, the picture has some interesting changes (Figure 8).

Figure 8. Distribution of Western Asia countries and Belarus by HDI, 2014



Source: constructed by the author based on data from World Development Indicators 2015

In the 2nd decile we can see rich countries such as Israel (18 rank), Qatar (32 rank), Saudi Arabia (39 rank) and UAE (41 rank). Qatar, UAE and Saudi Arabia have also high position in GNI PPP per capita terms. In the 3rd decile now, we can see Belarus, which has stayed along with the oil-rich Kuwait and Oman. They are classified as countries with very high human development. There are Lebanon, Turkey, Georgia, Azerbaijan and Jordan in the 5th decile. These countries are characterized by high human development. Armenia, Palestine and Iraq are in the 6th decile and have medium human development. Syria is in the 7th decile. Yemen belongs to the 8th decile with low human development indicator.

Some possible explanations are as follows. Israel and Qatar saved its high position both in terms HDI and per capita GDP PPP. Israel is a highly developed country in general. Qatar is the smallest in population oil-rich country which transmits oil rents to raise welfare its citizens through a wide range of social programs. Our reference country Belarus is not rich with fuel resources (like its “decile neighbors” Kuwait and Oman) but what provides a relatively high HDI position are former USSR rich “heritage” in social, educational and industrial spheres. Additionally, nowadays Belarusian government, besides economic reforms, pays a great attention to the health (high propaganda of sport) and education, children and family policy, etc. Highly educated and well-disciplined labor force of the country is a great factor of its stability and prosperity. Georgia, Armenia are former USSR countries with its rich heritage on human capital development, that’s why its HDIs locate in better deciles in comparison with GDP deciles. Turkish economic growth is rapid in the past several years but in order to improve social indicators and living standards in general long-run period is required. That is why Turkey worsened its decile-position in comparison with GDP. Involved in the war oil-rich Iraq and poor Yemen have worse positions in spectrum in terms of both GDP and HDI.

On balance, we observe that the highest levels of development generally are to be found among the higher income countries and that the lower end of the spectrum is filled with poorer countries. Even though income is not the only factor in the HDI index, it has a large influence on expenditure on education, healthcare and on impoverishment of living standards.

CONCLUSIONS

In the research, we configured the region of Western Asia and a reference country Belarus in three dimensions: population, capital income (GDP/GNI PPP) and human development (HDI). We conducted a comparative analysis putting our target region and a reference country along the spectrum of the other countries in the world, as well as we made comparisons within the region and with the reference country. Findings and outcomes are as follows:

- Conclusions are largely influenced by statistical facts (data), that is why we must always understand how the data was collected and processed, be critical of methodology of construction of composite indexes, especially rankings.
- The world faces two challenges in terms of population: high birth rate in Africa and Asia leading to unemployment problem; lower birth rate in Europe that has to cope with aging of population and the increased costs of health expenditure.
- In our target region, we observe high birth rates, decrease death rates due to the improved access to healthcare and increased living standards. Projections show that the population of Western Asia will grow by 2023. Governments of the countries of the region are recommended to provide weighted economic, social and family planning policy taking into account environmental factor as well (access to drinking water, land use, resource use, waste and pollution). Currently, Arabic countries of Western Asia form an unstable cluster in terms of safety, high living standards and political rationality. Military conflicts, man-caused catastrophes, problem of refugees in cope with the current trend of population growth will increase the burden on national economies of the countries and put great challenges in front of the governments.
- On the contrary, our reference country Belarus has a decreasing trend of population growth and tends to increase its current level via diversified social and family programs. Even though Belarus

currently suffers economic recession due to the instability of political relations between Russia and USA, the country is socially and politically stable, safe and well developed in terms of industrialization, agriculture, education and science.

- The difference in population numbers mainly depends on history factors and traditions that form the base for the population level in a country. Government family policies and economic prosperity are important factors too. Countries with greater prosperity and opportunities attract immigrants.
- The analysis show that population is very weakly related to land area.
- When we work with the world of real payments, we apply real currency, GDP. When we look at the differences in per capita incomes between countries, the GDP PPP statistics is more relevant. In spite of having some criticism capital income indicator, GDP, is a traditional approach to estimate the size of the economies.
- The analysis approves of the fact that the distribution of income in the world scarcely related to the population distribution. The world economy remains dominated in size by Europe, North America and Japan.
- The countries of Western Asia locate scattered randomly along the spectrum of the world GDP, with the shift to the bottom. Within the target region, the countries diverge radically.
- The highest economic growth is demonstrated by economically, politically and socially stable oil-rich countries and high-tech Israel (leader in the region). Countries that are poor with natural resources, having undeveloped processing sectors of their economies, undergoing transformational recession demonstrate lower economic growth rates.
- Comparing our reference country Belarus with the Western Asia region in economic growth terms, it is in the middle of spectrum. Belarus looks as a middle point (median) dividing the spectrum on two groups: stable oil-rich countries plus Turkey, Israel and Lebanon; countries poor with either resources or being in recession or suffered in wars.
- HDI gives a more representative portrait of humankind's condition than capital income indicators like GDP or GNI PPP.
- The analyses reveal that the highest levels of development generally are to be found among the higher income countries and that the lower end of the spectrum is filled with poorer countries. Even though income is not the only factor in the HDI index, it has a large influence on expenditure on education and healthcare.
- Western Asia region is a good example of the thesis that income is not the only factor representing welfare of the country.
- The majority of countries of Western Asia belong to the "high" and "very high" development categories, as well as Belarus, and this is a good new.
- Our target region and the reference country has a great potential for economic and social relations.

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