

UNIVERSITY OF PARDUBICE
FACULTY OF ECONOMICS AND ADMINISTRATION

**COUNTRY ATTRACTIVENESS EVALUATION AND
VISUALIZATION**

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Diploma Thesis

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Theses guidelines

The thesis aims to propose a way to compare the attractiveness of countries in a selected region. The proposal will be based on available data and the utilization of geoinformation technologies but not limited to them. Existing approaches to country attractiveness evaluation (including key factors and possible measures) will be described. Utilization of country attractiveness in country promotion in various fields, i.e. tourism and international business, will be discussed. The proposal will be applied to the chosen area of interest. The obtained results will be interpreted and visualized.

Co-supervisor: Prof. Jan Stejskal

OUTLINE

- Concept of country attractiveness
- Description and evaluation of chosen countries/Region
- Main factors in analysis of countries attractiveness and visualization
- Visualisation of results and interpretation

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Groh, A., Liechtenstein, H., Lieser, K. and Biesinger, M., 2018. The venture capital and private equity country attractiveness index 2018. *IEESE Business School, Univesity of Navarra*.

United Nations, 2019. World Economic Situation and Prospects 2019: Statistical Annex.

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Declaration

I declare:

The thesis entitled “country attractiveness evaluation and visualization” is my own work. All literary sources and information that I used in the thesis are referenced in the bibliography.

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In Pardubice on 30th June, 2023

Jacob Peter Tindan b.o.h

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ANNOTATION

Country attractiveness is critical for the economic development of countries in Central Europe. The ability to attract investment inflows has been ascertained as critical, thus, ensuring enough financial inflows to lead to economic growth, job creation, and raising the standard of living. This study focuses on 9 countries in Central Europe to provide a visualization of their country-level attractiveness. The variables used for the visualizations are GDP, FDI, Political Stability, Government Effectiveness, and Infrastructure, thus the number of people having access to Broadband internet.

This study adopted panel data analysis for the research design. The study used the convenience sampling technique to select the countries for the study. The countries selected in Central Europe; Poland, Serbia, Slovenia, Slovakia, Czech Republic, Croatia, Lithuania, Bulgaria, and Hungary. The source of data was from multiple authoritative places; World Bank, IMF, and EUROSTAT. The longitudinal data used to span from the period of 2017 – 2021. The software used for the analysis was the Quantum Geographic Information Software (QGIS).

The study revealed that countries like the Czech Republic, Lithuania, and Slovenia had higher country-level attractiveness compared to the selected countries. This is a result of their higher achievements in political stability, GDP per capita growth, and Government Effectiveness. While, Serbia and Bulgaria performed lower across all the variables on the country level – attractiveness. Countries like Poland, Croatia, and Slovakia made a specific impact in different years.

The researcher recommends future studies need to be conducted in other European countries, mostly Eastern and Western Europe to ascertain the impact of the selected variables on their country-level attractiveness. Additionally, there is a need to adopt different variables. Thus, other studies can use inflation, interest rates, import and export, and level of trade with other countries.

TITLE: COUNTRY ATTRACTIVENESS EVALUATION AND VISUALIZATION

KEYWORDS

country attractiveness, country competitiveness, visualization, evaluation, foreign direct investment (FDI), country perception.

ANOTACE

Atraktivita země je zásadní pro ekonomický rozvoj zemí střední Evropy. Schopnost přilákat příliv investic byla shledána jako kritická, tedy zajistit dostatek finančních přílivů, které by vedly k hospodářskému růstu, vytváření pracovních míst a zvyšování životní úrovně. Tato studie se zaměřuje na 9 zemí ve střední Evropě, aby poskytla vizualizaci jejich atraktivity na úrovni jednotlivých zemí. Proměnné použité pro vizualizace jsou HDP, PZI, politická stabilita, efektivita vlády a infrastruktura, tedy počet lidí, kteří mají přístup k širokopásmovému internetu. Tato studie přijala analýzu panelových dat pro návrh výzkumu. K výběru zemí pro studii byla ve studii použita technika pohodlného vzorkování. Vybrané země ve střední Evropě; Polsko, Srbsko, Slovinsko, Slovensko, Česká republika, Chorvatsko, Litva, Bulharsko a Maďarsko. Zdroj dat byl z více autoritativních míst; Světová banka, MMF a EUROSTAT. Použitá

longitudinální data zahrnovala období 2017 – 2021. Software použitý pro analýzu byl Quantum Geographic Information Software (QGIS).

Studie odhalila, že země jako Česká republika, Litva a Slovinsko měly vyšší atraktivitu na úrovni země ve srovnání s vybranými zeměmi. To je výsledkem jejich vyšších úspěchů v oblasti politické stability, růstu HDP a účinnosti vlády. Zatímco Srbsko a Bulharsko dosáhly nižších výsledků ve všech proměnných na úrovni země – atraktivity. Země jako Polsko, Chorvatsko a Slovensko měly v různých letech specifický dopad.

Výzkumník doporučuje, aby budoucí studie byly provedeny v jiných evropských zemích, většinou ve východní a západní Evropě, aby se zjistil dopad vybraných proměnných na jejich atraktivitu na úrovni země. Navíc je potřeba přijmout různé proměnné. Jiné studie tak mohou využívat inflaci, úrokové sazby, dovoz a vývoz a úroveň obchodu s jinými zeměmi.

KLÍČOVÁ SLOVA

atraktivita země, konkurenceschopnost země, vizualizace, hodnocení, přímé zahraniční investice (PZI), vnímání země.

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1. GLOBAL COMPETITIVENESS

Global competitiveness involves many aspects and disciplines that has been studied over the years. Aminuddin (2010) indicates that global competitiveness of any nation contributes to the positioning of the national economy globally in the face of other competing countries in the field of international trade. According to Aminuddin (2010) as well as (Hall & Page, 2014) the competitiveness of nations is based on the full disclosure of the situation of economic, scientific technological, organizational, managerial, marketing and other attributes that are competed against by other nations either locally or globally.

Furthermore (Paparusso & Ambrosetti, 2017) indicates that countries that compete with each other focus on ensuring high economic growth rates, high wage rates, the positive visualization of country's stock on the global market and its overall high performing industries that provide quality goods and services to people and economies of the world. The fruition of this high rate of country performance is high profit margins and admiration for good economic practices better than competing countries. A favorably competing country should have the capacity to adapt to regular changes in the world's market since that terrain is highly volatile. The ability of a country to have a competitive edge over others is further premised on the country's capacity to perform well in investment, innovation, manufacturing and the likes (Paparusso & Ambrosetti, 2017).

According to (Antoniuk, 2004) the performance of countries in a competitive business environment should be in line with political and social actors which are key aspects of the general economy of a country. Within the 21st century, many countries businesses and products have intended to go global with their ideas in order to be part of the movement towards global competitiveness. According to Kharlamova (2013) the dynamic performance of nations in a competitive global village is premised on economies of scale and the mix of technology and optimal productivity. While countries who use the factors of economies of scale and technology on their way to become competitively attractive globally, other countries are weak and incapable of catching up with globalization (Dimitrov et, al., 2017).

Within the concept of globalization there is a huge level of competitiveness and country attractiveness to influence the perception of people globally. According to Escap (2009) the goal of globalization is to intensify international competition among nations, products and services by using acceptable requirements to obtain a qualitative and quantitative reforms in a business environment at large. The role of intensive competition among controls is important in two main

ways. Foremost it promotes a robust and functional economic system based on the true value of things in the global market. Second, it engages countries into fostering better competitive relationships.

1.1 Theories of Competitiveness

In order to thoroughly study competitiveness among countries/nations there is a need to review the classical and neoclassical theories of national competition. The difference between classical and neoclassical theories of national competition is shown by scholars such as Smith, Ricardo and J.S. Mill. Whereas the classical theory is concerned with Perfect competition, the Neo-classical theory deviates slightly from the proponents of perfect competition to regulations that foster good competition among nations (Escap, 2009).

Classical Theory of Competition: According to Soon and Stoever (1996) competition is seen as the process through which countries act independently in order to achieve higher and a never-ending profit. Classical economists are also of the view that the classical school of thought is concerned about countries making the most profits and the least losses, that way it keeps them highly competitive and capable of enhancing public image (McNulty, 1987). According to the economists (Smith and Ricardo) though individuals aim at getting the most satisfaction they are mostly affected and controlled by special forces that can enhance a perfect competition or not. According to classical economists the role of competition is to encourage a perfect competition globally while satisfying the needs of individual countries.

Neoclassical Theory of Competition: The neoclassical theory extends the discussion of the classical theorist's view point on perfect competition of nations. Still, it is viewed that the argument of neoclassical economists is viewed in the eyes of a perfect competition approach. The neoclassicals presented a coherent argument on the succinct conditions under which perfect competition could thrive. This approach by the neoclassicals on national competitions is quite different from the classical economist's approach as they only believe in the perfect competition of markets and among nations. The neoclassical theorists further opined that the behaviour and nature of perfect competition is premised on how the market pans out or how it operates (Tsoulfidis, 2009). Under the neoclassicalist approach the model of perfect competition is premised on a key characterization that perfect competition exist among nations that sell homogenous products to the entire globe. Because homogenous products are sold there is a stiff competition in innovation, pricing and economies of scale. A country that prioritize these key

variables will most likely gain more even in a perfect competitive market (Stigler, 1987). The neoclassicals theorize that in a perfectly competitive market traders, producers and customers should be aware of all things, including product quality, product design, price and content. Due to the fact that producers and consumers are a lot in the perfect competitive market they will not be able to influence the price or cost of production of goods and services.

1.2 Competitive Models

The logic behind the review of competitive model is that it presents the different forms or models that are used to assess the competitiveness of markets or countries. This also involves the approaches that can be used to assess the competitiveness and attractiveness of countries. All the competitive models/approaches provide their abilities and merits in exploring the competitiveness of countries. It is therefore necessary that the various models are explored in order to help the researcher apply them in ensuing chapters for assessing the competitiveness and attractiveness of countries.

PESTLE model: The PESTLE model is a strategic analytical tool used to manage and scan the macro environmental perspective of a country. The 'PESTLE' is an acronym that describes the Political, Economic, Social, Technological, Legal and Environmental perspectives of a country's system and trading/industrial activities. Various scholars have used the PESTLE model to explore and investigate country attractiveness and competitiveness after the model is cited to be created by Aguilar (1967). Using the various components of the PESTLE model it creates a certain sense of a specific country's competitiveness and attractiveness taking into consideration all the various aspects of the model. As indicated by Aguilar (1967) the PESTLE model should always be applied within a macroeconomic setting and with this viewpoint, one can touch on the numerous aspects attached to *visualising* a country in a holistic manner.

Political Environment: The political environment is presented on a macro scale. The analysis of the macro political environment is concerned with how stable the country's governance is, the potential changes to legislation and the country's political influence globally. In terms of political macro environmental analysis, some of the aspects that is been assessed is a country's political atmosphere on a macro scale to ascertain each country's competitiveness and level of attractiveness comparatively to other countries. If a country is found to have an unstable political atmosphere this could negatively affect the level of perception regarding its attractiveness in business or trading activities. Also, should a country be found to have a high potential for changes

in its legislation, be it military interventions in seizing power from a democratically elected governments or opposing political parties making unpopular moves to distort government business, all these may have a negative impact on how a country is perceived to be attractive by either foreign investors or tourist. Regular or constant change in a country's legislation or legal system can have a serious repercussion on how people view its level of attractiveness.

Economic Environment: On a macro analytical scale, this model adopts certain variables to measures a country's competitive edge over others such as economic growth, employment rates, monetary policy and consumer confidence amongst others. The perception of a country's attractiveness and competitiveness is often described based on these economic measures. The nature of the current economic variables should inform the level of attractiveness of a specific country in relation to the other. If the economic growth of a country is dwindling that will present a poor attraction for that specific country. Also, should a country have a high unemployment rate and poor monetary policy where it translates into poor exchange rate or poor currency, that country will have a low attractiveness in relation to other countries.

Social Environment: Social environment is also another macro analytical tool that countries use in analysing their competitiveness and attractiveness levels. The social environmental variables that are used to assess the competitiveness and attractiveness amongst countries include but are not limited to income distribution, demographic influence, lifestyle factors and culture. From these variables, one can depict the level of competitiveness and attractiveness among selected countries. Once income distributions or levels of poverty are known or are reported to be high it reduces the perceptual level of a country's attractiveness and competitiveness on a global scale. Also, when it is found that the lifestyle and culture are strict and not flexible to foreign culture in a specific country, it could influence the level of country attractiveness and competitiveness among selected nations in this study.

Technological Environment: Under the scope of technological environment for, the variables that can be assessed may include international influences, changes in information technology and acceptance of technology application software's. The technological environmental variables are not only limited to these aforementioned variables but by extension other variables will be included. Based on the information that will be gathered, this study will hold a view on whether technological environment has contributed to the overall attractiveness or competitiveness of a firm.

Legal Environment: The legal environment is also another macro strategic measure of the legal framework of a country. The legal framework of a country, when assessed can provide in-depth knowledge on whether or not a country is attractive and competitive in nature with respect to other countries' legal environment. The comparative analysis among nations can provide a thorough assessment of the legal framework. The legal environmental variables that can be assessed include but not limited to taxation policies, employment laws, industry regulations as well as health and safety. If it is clear from assessment that employment laws are unfavourable to the labour market it could create some unattractiveness in the eyes of the public and foreign investors. This same analogy is true for taxation policies, if the taxation policy seem to be unbearable- many people including investors will find that country less competitive and unattractive.

Environmental Environment: The environment is the last aspect of the PESTLE model where it represents the business environment that the country or countries are operating in. Some of the main variables under the scope of environmental environment are raw materials limitations, emissions concern, corporate ethics and the public's willingness to comply with environmental regulations. The environment is an essential part of the PESTLE model because it assesses the macro environment or regional environment that the country operates.

Porter's Five Forces Theory: The Porter's five forces model is premised on five parts of competitiveness that makes one country more attractive than others and thereby giving them a strong competitive edge over other competing nations. The completion of a Porter's five forces is to provide an idea of the level of competition and developing strategies to overcome certain hurdles a nation may face to obtain a competitive advantage. The Porter's five forces engages five key elements that improves the competitiveness of nations and their level of competitive advantage. Whereas Porter's five forces focuses on competitive advantage and country attractiveness as a result of its intense competition; the attractiveness in this theory is indicated as the nature of profit obtained from the competition. An unattractive country is when the application of all these five forces showed a relatively low competitive edge for the nation. A typical example of an unattractive nation is one that obtains normal profitability or has an indifferent competitive advantage which means that the country is only getting as much as it invests in its international trades. *The following are the Porter's five forces;*

- i. Threat of new entrants:** According to (Moudud, 2010) global markets that have higher returns or profitability will definitely attract new entrants. Like any other jurisdiction, every national or international market have rules of engagement that may make it easier or difficult for countries to engage in. Where global or international markets have increased entry barriers, the threat of new countries entering into that industry will be very low. The reason why there are barriers to new entrants into a market is to ensure that the real value or profitability in that industry or market is not lost to perfect competition. The relevance of the threat of new entrants to country competitiveness is that it is a tool under the Porter's Five forces that will assess whether countries can operate in certain defined industries and whether the industry makes the cost of entry difficult for new entrants or not. If it is easy for countries to enter an industry the threats or barriers to entry are quite minimal.
- ii. Threat of substitute products or services:** When countries produce goods and services that other countries produce the threat of substitute is enormously high and the switching cost for customers become relatively low because of the commonality of that product or service (Aminuddin, 2010). The threat of substitute products or services is also relevant to country competitiveness, in that, it presents an assessment whether countries who are operating in a particular sector should expect substitutes to their products or not. This will help countries prepare and protect their markets. If the type of good that a country produce is elastic then other countries can produce such products hence the threat to substitute is high.
- iii. Bargaining power of customers (buyers):** The bargaining power of customers for a particular country's product or services could serve as an asset to the country or a total loss. Customers that need a particular product have very low bargaining power because the product is a need (Nanda, 2006). According to Tsoulfidis (2010) when a country introduces a loyalty program it reduces or lowers customers bargaining power towards a particular country. Customers that create unions or pressure groups can influence their bargaining power to a country's disadvantage. The bargaining power of customers is also relevant to the assessment of country competitiveness because it explores whether countries have the power to determine price of commodities or customers have a higher bargaining power. If customers have a higher bargaining power this could mean that a slightly increase in price could cause customers to turn to other competitors. To conserve or protect a particular country's profit continuous innovation of that product is required.

- iv. Bargaining power of suppliers:** Again, Porter indicated that suppliers are the key inputs for products produced by a particular country. Suppliers could be in the form of labour, raw materials and specific services that a country has in supply. A country has a high bargaining power of such production inputs if they have the expertise in supplying such items better than other suppliers. The relevance of the bargaining power of suppliers to a particular country's product or service it renders is crucial to their survival in the industry. If the type of good produced has limited suppliers, that country would have no power to bargain and production costs may be too high. It is important a country knows where they stand as long as suppliers are concerned.
- v. Intensity of competitive rivalry:** The relevance of intensity of competitive rivalry will help countries appreciate, understand and prepare for what they need to do in order to make their countries attractive. The rivalry in most global markets is premised on certain potential factors. The Potential factors are:
- *Sustainable competitive advantage through innovation*
 - *Competition between online and offline companies*
 - *Level of advertising expense*
 - *Powerful competitive strategy*

Strategic Group Analysis: According to the position of Tavazzi (2017) the strategic group analysis model is a key approach in determining a country's weighted strategies in global business. The analysis of a country's strategy for products it sells is done in clusters. According to Soon and Stoeber (1996) the cluster of strategies is evaluated and given some strategic dimension that can impact the country's ways of doing business globally. The relevance and usefulness of this strategic model is to identify or idealize the business dimensions of nations that make them more attractive than others. Hence, this strategic group analysis model will provide a cluster of strategies that would work for various countries. The strategies are matched against each other to explore the specific strategies that can improve a nation's competitive advantage. The most reliant strategy will provide the focus of discussion for that country's direction on obtaining a competitive advantage over other nations. The strategic group analysis model assesses the macro environment of countries especially those that engage in global or international businesses. Because of the

intense nature of competitions among countries these days, the call for a coherent, improved and innovative strategy is essential to achieving a high level of competitive advantage.

1.3 Competitive Advantage

According to Afzal, Lawrey and Gope (2019) a country's competitive advantage refers to what countries are capable of doing to remain in business and to do certain things better than their regional competitors. Achieving a competitive advantage involves the use of generic and consistent strategies that work (Afzal, Lawrey & Gope, 2019). Competitive advantage takes into consideration the cost differentiation strategy and the general scope of a country's capacity, ability and activities. According to various scholars such as (Tsoulfidis & Tsaliki, 2011) the value chain is the key strategic tool used to diagnose a country's competitive advantage by dividing its core activities into sub activities and apply strategies that will make such activities better than competitors (Tsoulfidis, 2010). Furthermore, Moudud (2010) argues that competitions can either make or break a country if the activities in its value chain are not monitored and properly applied better than what competitors do. For countries to earn a competitive edge, competitive strategies and models must be necessarily used in order to enhance the chances of that country becoming the leader. Also, for a country to have a competitive edge over others, the priority is to ensure that it is operating and working in the most attractive industry. For instance, Germany is known for producing resolute car brands and that competitive niche strategy makes it a powerhouse when it comes to automobile industry around the world. Therefore, for a country to choose a competitive strategy it must ensure that it works an attractive industry to could bring very good profits. Choosing the right competitive strategy can even make a country earn slightly higher profits in a perfectly competitive market.

Potter's Diamond Model on Competitive Advantage: Michael Porter (1990a) professed on issues regarding a country's competitive advantage. According to Michael Porter a country's competitive advantage is determined by its inherent industries that have a strong value chain base locally and globally such that a country's industries can compete favorably with other countries. Recently, (Huggins & Izushi, 2015) theorized that a nation with a coherent value chain and business strategy can have a competitive edge over other nations be it regionally or globally. According to Porter (1990) a country's competitive advantage strategies are not usually inherited

but are carved out by business people who study current business happenings in the global and local space. The relationship between the diamond model and the Porter's five forces is that while the diamond model assesses the value chain of countries or nations, the Porter's five forces analyses the specific businesses of nations. Both the diamond model and the Porter's five forces are created to elaborate on competitive advantage of nations. Also, the Diamond model presents a more current and macro level analysis on global or international activities rather than local activities. According to Michael Porter, there are four determinants that help a nation maintain competitive advantage. They include; factor conditions, demand conditions, related and supporting industries as well as country strategy structure rivalry.

- i. *Concerning the factor endowment of every nation*, Porter (1990a, pp. 128–129) indicates that this provides an analysis of the factors necessary for production of a nation (such as land, labour, and capital). The grouping of the factors of production into four aspects does not on its own present a good case for competitive advantage of a nation. The only way the factor endowment of a nation can spur competitive advantage is to ensure that these factors are of high level, the human resource is well skilled than what other nations parade and the raw materials are unique. In a very critical business environment, a nation does not only inherit certain factors but create those factors in order to improve its chances on the global stage.
- ii. *With demand conditions*, Porter (1990a, pp. 143–161) indicates that the local demand of a country or the demand by its citizens within the borders of the country can improve the country's ability to provide the most excellent product or innovative services which can cascade into the global services it renders on demand. The local demand serves as a proto type where a nation can develop its innovation to become more competitive or have an edge on the global business environment. He recognizes three major aspects of home demand in this context: (a) the composition (or nature of buyer wants), (b) the amount and pattern of growth of home demand, and (c) the methods by which a nation's domestic preferences are communicated to international markets: a. He claims that the makeup of house demand influences how countries perceive, interpret, and respond to buyer wants. b. In terms of demand size and growth patterns, given that demand composition is sophisticated and includes both domestic and foreign needs, they might

- strengthen national advantages in a certain industry. c. He claims that the third way in which domestic demand conditions contribute to national advantage is through mechanisms by which a nation's domestic demand internationalizes and pulls a nation's products and services abroad is through mechanisms by which a nation's domestic demand internationalizes and pulls a nation's products and services abroad.
- iii. *Regarding the related and supporting industries*, Porter (1990a, pp. 162-166) asserts that having internationally competitive supplier sectors in a country gives downstream businesses a competitive edge because they provide more effective and direct access to more cost-efficient inputs.
 - iv. *About country strategy, structure, and rivalry*, Porter (1990a, pp. 170–180) conveys the idea that the domestic pattern of rivalry plays a profound role in the process of innovation and, therefore, international success. Concerning the strategy and structure of domestic countries, he claims that national circumstances affect how countries are managed and how they choose to compete. In this context, by arguing that sharp differences exist within and among nations in the goals that countries seek to achieve, there are four distinct categories of goals: company goals, goals of individuals, the influence of national prestige/priority on goals, and the goals of countries and individuals that are reflected in the nature of the commitment of capital and human resources to an industry, to a country, and, for employees, to a profession.

1.4 Regional Competitiveness

The European Union's cohesion policy was created to reduce the gap between different countries amongst the regions levels of development that is expected to bring to the fore strong economy and social cohesion. Between 2007 to 2013 the European Union Cohesion policy aimed at accelerating regional economic restructuring on a global scale that includes the functions of opening up the region for trade/culture, regional technological revolution, growth of immigration and development of a knowledge based regional economy. The purpose of the European Union Cohesion Policy is to primarily engage all nations within the region to improve on economic and sustainable development. The regional policy targets nations, cities and territories within the European Union. The European Union views the creation of the cohesion policy as an opportunity

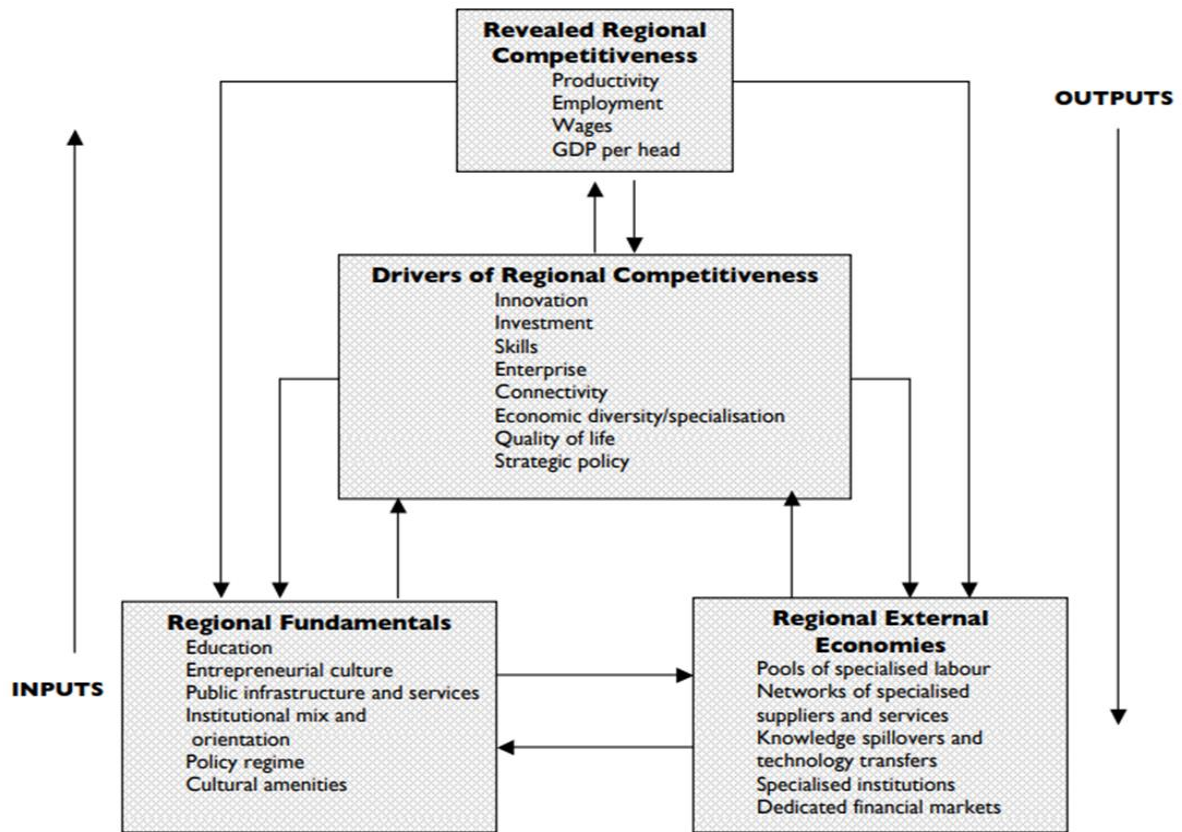
to enhance healthy competition among nations within the European Union while targeting a cohesive sustainable growth and development that can bring a strengthened competitive advantage. Martin (2005) has opined that regional competitiveness is an evolutionary process that is utterly necessary. There are many reasons why Martin (2005) indicates regional competitiveness as an evolutionary process. The major reason for regional competitiveness is its constant variation in industry activities which forms the pivot of regional economy. For regional competitiveness and attraction to thrive it should be premised on few basic factors such as product or service innovation, radical activities carried out by countries that opt for a competitive edge over other countries. The entry and exit plan of countries in competitiveness is also premised on their cost and product innovation coupled with other known factors.

Hence Martin (2005) theorized that the enjoyment of country competitiveness includes the doing away of old activities, technologies and skills with new ones. Huggins (2003) explained regional competitiveness as a means by which countries in their geographical economies have an edge in innovation and technology than competitors have. Regional competitiveness argues that countries are in constant competition to have a competitive edge over others within similar jurisdiction.

Huggins et al., (2013) indicates that regional competitiveness includes the capacity and ability of a particular jurisdiction to attract and maintain a country's business portfolio that has rising or stable profits. In the midst of providing regional competitiveness the standard of living is either increasing or high. The aim of regional competitiveness is to ensure that there high level of value addition and improvement in products and standard of living of people habitating in such regions. Another goal of regional competitiveness is to ensure high level productivity that is better than competitors.

According to Martin (2005), *“at any given point in time, a region will have a particular configuration of fundamentals, and specific sets of external economies, both inherited from the region's past. The evolution of fundamentals and external economies are not independent processes, however”*. He purported that a region has the tendency of “self-reinforcing process, where there are highly educated people, a wealthy workforce, who would demand high quality housing, good schools and other modern infrastructure that can enhance good cultural amenities. Below is an illustration of this model of Self-Reinforcing process in a particular country or Region.

Figure 1.4. Self-reinforcing process model



Source: Martin (2005)

2. CONCEPT OF COUNTRY ATTRACTIVENESS

This section of the research focuses on the review of the various journals, articles, written documents and other literature which is in context of objectives of the study and broadly support constructs of country attractiveness and the determinants. The chapter comprises of the models and concepts of investment attractiveness and its evaluation attributes, the theoretical framework, the conceptual framework as well as other empirical studies that supports the research study.

2.1 Concept of Country Attractiveness

Globally, countries have weighed their attractiveness to investment and business as a sign of importance, growth, recognition and development in the global economic stage. Countries that attract various forms of investment, tourists, businesses and other social activities have witnessed various stages of development and economic growth. Country attractiveness, in this context as defined as "the extent as to which a country is mostly preferred than others by its main stakeholders due to certain criterion which may include either tangible or also intangible components" (Lee, 2016). As noted by (Cieřlik, 2019), attracting investment is important to many countries, however what concepts leads to the attractiveness have gained enough importance for research. Therefore, the attractiveness of a country in contribution to its success in the areas of international competitive scale which includes encouragement of international investment (Lee & Chappelet, 2021). Country attractiveness is previously cited as "the extent a country is preferential than others by the major stakeholders due to certain requirements which includes intangible and tangible elements" (Lee, 2016), and this may play a significant part in promoting a country's gains in global competitions. According to (Buhali 2000; Mayo & Jarvis 1981), they defined attractiveness as the apparent capability of a destination to achieve its individual benefits. The capacity of the destination is enhanced by its attributes, or the elements that define a destination. In this context, we can define Country attractiveness as a measure of how a country appeals to or attracts foreign investors or tourists.

Country attractiveness has been and continues to be an important attribute in a bid for a country to progress in many aspects of international competition, as in enticing of foreign consortiums in some particular markets/industries (Choi et al., 1999) and also persuading foreign migrants/tourist to vacation in particular touristic or residential destination (Hu and Ritchie, 1993; Aminuddin, 2010). Hu and Ritchie (1993) also define attractiveness of a destination as the "beliefs, feeling and

opinions that a person has about a tourist destination's ability to offer the satisfaction in accordance to one's specific holiday needs". Attractiveness is defined by Lue, Crompton, and Stewart (1996) as "individual tourist's recognition about factors that influences their decision making when deciding on a tourist location where they can enjoy a tourist vacation."

Tavazzi (2017) defines a country's attractiveness and sustainability through four attributes: openness, innovation, efficiency, and endowment. He goes on to explain the four characteristics as follows: openness, which allows for the free flow of human and economic resources, Innovation is defined as promoting scientific and technological progress for both businesses and citizens. Efficiency is defined as ensuring the proper operation of the capital market, product market, and labour market, and endowment is defined as According to Papparuso and Ambrosetti (2017), attractiveness is about how players are impacted by and affect the structural factors at the heart of competitiveness issues: Attractiveness is difficult to quantify precisely, but various indexes and measurements can help.

Bazi (2011) defined country attractiveness as an interdisciplinary notion which is placed in the intersection of financial issues, development economics, law regime and the political domain: it tends to track and compare its relative attractiveness of separate regions or countries and the various jurisdictions contesting for the "scarce" opportunities investment incursions, in ranking them due to their quantitative and qualitative relevance in accordance to certain parameters like the growth of GDP, rates of tax, recovery of capital, and so on. Several factors influence the attractiveness of a country in the optics of huge firms and institutions who directly invest in these countries.

Many factors contribute to a country's capacity to attract investors and tourists. According to Dimitrov et al. (2017), the attractiveness of the country is determined not only by the attributes of its corresponding site and the home population, but also by tourist comprehensive image impression of that particular destination. Some may include political, social, legal, and economic conditions that make it possible for an investor to consider doing business in the country. The attractiveness of a country for international investment is directly influenced by the advantageous attributes of its location components.

There is an extensive literature on attractiveness and location factors, with few clear policy implications. Attractiveness for innovation necessitates close coordination/integration of inward investment promotion policy and innovation policy. Attracting investments is a significant

challenge for countries (more in a practical than theoretical sense) because they do not arrive on their own. However, it is mostly when people are drawn to a destination's services do the facilities strive to make it more attractive to prospective tourist (Hall & Page, 2014; Ferrario, 1979). The greater a destination's ability to serve the demands of its tourists, the most likely it becomes appealing and tends to be likely selected.

Countries strive to develop systems or characteristics that attract investment and make them more appealing than competitors. Countries compete for investments by offering favorable local conditions or even tailoring them to the preferences of investors (Bouchoucha et al., 2020). In its definition of foreign direct investment, the International Monetary Fund highlighted the investor's long-term interest in the economy of another country (investment recipient). To attract investment to a specific location, its attributes must match the investor's expectations, which he chose the area for his business start-up or expansion based on. Market development is the most common reason for investment, emphasizing the practical importance of current information and predicting investment trends in a country (Bruneckiene et al., 2019).

2.2 Theories on Country Attractiveness

In a quest to address the difficulties imposed by recent global competition and local economic threats, regions, cities and including countries are continuously seeking to maximize their attractiveness, in that it can tend to entice businesses, foreign investments, skilled workers and tourist. In getting this done, some theories will be referred to make it an ideal idea to pursue.

2.2.1 Signaling Theory

To start with, the theory can be explained as the extent at which country's economic facets of its attractiveness and how it tends to influence the popularity of inducing foreign investments. The theory, which was coined by Michael Spence (1973) who was also a Nobel Prize winner, can grant a deep theoretical insight for exploring this concept in a modern marketing condition. This can be accomplished in a by indicating how the finest expected employees differentiate themselves from least qualified prospective employees by using the expensive ways of signaling meticulous advanced. This notion has always been used to propagate how each faction begin to signal the other faction its inherent and intangible attributes in order to minimize disproportional details between either side (Spence, 2002). In this context, it provides a scientifically verifiable point of view on selection problems under flawed information conditions (Connelly et al., 2011). For

instance, economist have the assumption that in the global market environment, the attractiveness of a country's economic outlook is depicted as a form of 'signal' implying a definite degree of which a country can maintain, predicated on an assumption that prospective firms/investors would not be able discern on the intangible characteristics the said country's (asymmetric information), consequently lessening the gap in information. Considering this, we can say the mechanisms that influence international signals that indicates a country's FDI appeal to new international investors can have some significant impact on the demand–supply in two ways: To start with the side of demand, prospective investors can base their decisions of investments on a country's economic attractiveness. On to the supply side, it can actually result to each country attempting to capitalize on its economic attractiveness through marketing policies. Signaling in most instances, appears to be costly for countries with weak market conditions, thus the advantage falling to countries that is more profitable, due to this can signal prospective investors their way thereby rendering the undeveloped economies not been able to replicate it due financial constrains in providing safe havens for prospective investors.

2.2.2 Theory of Soft Power

Secondly, looking at some consequences of abstract (i.e., environmental and social) attributes and attractiveness of a country particularly in international migration and tourism can be theorized or termed as *soft power*. This concept made has been credited to Joseph Nye, which in over the years gained notoriety spanning from the early 1990s as '*a path to success in global politics*'. Soft power, according to Nye, is "the ability to persuade others to want what you want" (Nye, 2002). He goes on to define soft power been "the capacity to sway/influence the behavior of counterparties by having an effect on their choices". In another scope, it can also be looked at as an avenue to attract, and attraction frequently results to approval or acceptance (Nye, 2004), and this is usually to acquire the desires of a country by means of attraction instead of by force and trade-offs (Nye, 2004). Nye (2008) also stipulates that, power may be utilized amongst countries in three main different forms: the stick; which is the threat of force, the carrot; which is the lure with payments or grants and the other been in carving the decision of counterparties to lure them to desire the results that you want. In the aftermath of the Cold War, Nye (2004) envisaged that a country which possesses soft power (in contrast to its so-called hard power i.e., economic vis-a-vis military power) is deemed to be in better position in contemporary in global politics. Although hard power

through coercion is still somewhat deemed a necessity for countries to thrive in the spectrum of indigenous military and security order, environmental and social changes (e.g., issues about climate change or matters involving the quality of life) these has since the 1990s gained the significance of soft power.

2.2.3 Location Theory

The operation of a countries economic system is most often affected by space. Space as it is known is often regarded as an indicator of economic benefits or drawbacks, comparatively as high or low contributions in production indicators. It sometimes leads to unique benefits, such as accessibility of an area be it easy or difficult and the endowment levels of natural resources be it massive or meagre. Space can be viewed as a means of advantage which arises from the accumulated manner in production lines within that space, most particularly, spatial adjacency give rise to new markets that minimizes production inputs, take for example the cost in transportation activities that operates in close areas or clusters and in recent times termed as the transaction costs of doing business (e.g., market transaction costs attributable to information sourcing) (Roberta, 2011). According to Roberta (2011), "the goal of location theory is to basically point out the components that control separate activities in a location, the distribution of various sections of territory among varying forms of production, the divide of producers in a spatial market, and the functional allocation of spatial activities." Location theory is the theoretical-methodological core of regional economics, which gives it its scientific-disciplinary identity. Its origins are significantly microeconomic, and it employs a traditional steady perspective. It is concerned with business and household location preferences.

2.2.4 Absolute Advantage

This review of theories of country attractiveness and competitiveness will also include the theory of Absolute Advantage which was propounded by Adam Smith. The concept of this theory stipulates that a particular country can increase its success by focusing on the production of goods and services where is possesses a complete cost advantage amongst its counterparties whiles also making imports of certain goods and services it absolutely has cost disadvantage of. The theory tends to give explanation to why countries can improve their welfare through imports and at the same time selling goods and services in the global markets. As a result, the theory in Adam Smith

perspective looked at trade as a win-win situation. The theory further postulates that, the path for a country to become rich and powerful required them to export more and import as little as possible. A policy like this would yield in the generation of more revenue, making the country wealthy by advocating a strict control by the government and also economic nationalism because it sees trade as a zero-sum game (Salvatore 2002).

2.2.5 World-Systems Theory

Immanuel Wallerstein (1974) sought an interpretation for the state of the world at the time. He accomplished this by developing a theory capable of analyzing the economic and political diversification, and thus the various power relations that exist between countries. This theory is heavily based on historical patterns of economic dominance of certain countries/regions over others dating back to the early 16th century. Wallerstein contends that the world has had a single social system since this time, which he refers to as the "world-system". Furthermore, he contends that the world system can only be of two types: one with a common political system and one without (Wallerstein, 1974: 390). As a result, the former is referred to as a "world-empire," while the latter is referred to as "world-economies." To apply this to the modern environment, we can assume that a strong state is one that can exert influence over other states. From this point in history, the strong countries have been very successful in incorporating other areas into the world system for their economic and political benefit. As a result, the current state of the world can be viewed as the result of continuous processes.

Table 2.1: Determinants and empirical studies on country’s attractiveness

<i>Determinants</i>	<i>Authors</i>	<i>Measurement</i>	<i>Methodology</i>	<i>Findings</i>
<i>Political stability</i>	Avetisyan (2020)	1. Political Stability devoid of violence 2. Turnover on Foreign trade as a percentage of GDP 3. Final consumption as a percentage of GDP 4. Market Size (GDP)	Mixed Method of research (Linear regression model by using the least squares Method) Secondary data: 1. World Bank data base on Governance indicator 2. UNCTAD World Investment Report 2019 3. WEF Global Competitiveness Report Quantitative Method (Exploratory Analysis: Factor Analysis and Discriminant Analysis)	The study found that political stability is the most important factor than the inflation rate, the volume of foreign trade and final consumption expenditure. And in conclusion, the author stated that poor institutional development impede investment.
<i>Foreign Direct Investments (FDI)</i>	S. Jackson and S. Markowski (1996)	1.FDI Index 2. Mobility Factors	Source of data:	The study found that attractiveness of countries is influenced positively by direct foreign investments than other mobility factors.

Infrastructure

			Secondary data: 1. World Competitiveness Report on Regional Competitiveness 2. IMF database on FDI Inflows 3. UNCTAD data base on Regional Trade	
Oshri, I., Kotlarsky, J. and Willcocks (2015)	1. Cost/Transaction Cost 2. Availability of Skills (Labor) 3. Business Environment (Bureaucratic and Policy Framework) 4. Quality of Infrastructure	Qualitative Method (A qualitative comparative analysis of data amongst emerging economics). Secondary data: 1. World Trade Organization (WTO) database on International Trade 2. Eurostat database on country's Skilled Labor (Employment)		The study found that, location poses a comparative advantage amongst Economic Regions and a negative change in the factors discussed can also negatively affect the attractiveness of the countries in those particular Regions.

<i>Gross Domestic Product (GDP)/ Share of Market</i>	Kwang-Hoon Lee, (2016)	<ol style="list-style-type: none"> 1. Purchasing Power 2. Market size (GDP) 3. Human Development Index (HDI) 4. Political Stability 5. Clean Energy 	<p>Qualitative Method (Examination of previous studies in international business, migration research and tourism)</p> <p>Secondary data:</p> <ol style="list-style-type: none"> 1. World Bank database on GDP and Economic growth. 2. UN data base on HDI 3. Transparency International data base Corruption Perception Index (CPI) 	<p>The study found that attractiveness of a country is theoretically based on economic, social and environmental factors.</p>
<i>Ease to Market Entry (Policy and Legal Regime)</i>	Olha Pryhara (2016)	<ol style="list-style-type: none"> 1. Market Share (GDP) 2. Regional Market Performance 3. Ease to Market Entry (Policy and Legal Regime) 4. Political Stability 	<p>Mixed Method (Review of Literature on National and Foreign Trade Statistics and dynamics of the Market)</p> <p>Secondary Data:</p> <ol style="list-style-type: none"> 1. <i>The Economist</i> Magazine on Country's Market Ratings 	<p>The Study found that a country can be in a better position to attract foreign businesses and even groom local enterprises by setting up an efficient market strategy.</p>

2. UNCTAD database on International Trade
3. IMF database on a countries existing Market Share

Source: Authors own adaptation

2.3 Determinants of Country Attractiveness

In order to understand what drives the factors of economic growth which is always deemed as a major pull factor for a country attracting investors, tourists and migrants into a particular country, it is imperative to look at some indicators or determinants that form as the prerequisite for a country to be deemed attractive to major stakeholders. In deducing from the above table of previous studies carried out, some indicators are predominant and are discussed below.

2.3.1 Foreign Direct Investments

A country's foreign direct investment attractiveness is seen as an extensive determination on the general well-being of the populace because it affects the entire country's economy. There exist both advantages and disadvantages to a country's investment attraction, the disadvantages being the influx of foreign firms, cultural infiltration and heavy reliance on technology, most economists tend to focus on the advantages as it renders economic growth at the long run (Ernst & Young, 2012). The point being that attracting investment to a country encourages business growth, makes sure the acceptance of quality standards in administration, market research, and the emergence of cutting-edge innovations, and aids in the creation of necessary infrastructure is no longer in doubt. A country attracting investments has a possibly positive outlook on its technological progress and it is also crucial for the transfer of technology with the regions of the country. Continuous investments in a country enhance its macroeconomic parameters of which some include the growth of its GDP, the steady increase in the productivity of labour, development in the export sector, reduction in unemployment rate, increase in tax revenue mobilization and finally advancement in innovation (Dunning 1993).

Flow of investment into a country does not only increase the working population proportion but it tends to also increase their experience on the job thereby enhancing their qualification in the sector they work. The flow of investments aids to promote economic activities in emerging economies by enhancing the efficiency of those economic activities in the countries (Bruneckiene et al., 2019). Across several cases, economists presume that a particular country's economic outlook tends to attract the international market as it is deemed as a ground for operating a profitable business and basing on this assumption by the economist which is largely tangible, it fails to consider the intangible attributes of countries: thus, unassessed information, which in turn limits the gap in information about the general outlook of the country. The

signals a country tends to portray in the international scene indicating to potential investors thus play an important role in the country's demand and supply market mechanisms in two forms: prospective foreign investors can take their decisions to invest on the bases of the country's economic attractiveness thus being on both on demand side and on supply side, if the host country can guarantee and ease to market entry and legal framework that does not make it rigid for the company to operate in a liberal manner.

2.3.2 Political Stability

Political stability index has been used in different stages to prove the positive relation it has with country attractiveness. Thus, democratic countries have the tendency to attract more investment from international investors ((Avetisyan, (2020); Busse and Hefeker (2007); Ali et al. (2010) ;)). However, this situation has been disputed slightly which goes into countries with authoritarian or communist government that have proper systems in place to support investors and investment made in their respective countries (Hayakawa et al., 2013). In a bid for countries to remain attractive, one main component that these countries always want to keep in check is how to keep their politics stable so as not to bring about upheavals or unrest in the country. From previous studies, it has been found that *political stability has now been considered more by foreign investors as it gives assurance of business stability in a long run without any hindrance*. Looking at the earlier table where there are a number of studies on country attractiveness, political stability as an indicator runs through most of the study finding which tends to presume that investors now look beyond stable economic growth as it does not guarantee continuity when there are external factors affecting the country's economy.

While, political stability index is a critical measure of country's attractiveness, another study which does not agree with this assertion comes from Asiedu and Lien (2011), they had the argument that natural resources sometimes moderate the relationship between FDI and democracy.

According to Avetisyan (2020), who opines that systematic functioning of both economic and political institution tends to have a greater influence as compared to some other microeconomic indicators? A number of studies have identified hideous irregularities in state policies and the interference of state agencies in the operation of foreign firms. Due to this, there is mostly inadequate protection for the rights of foreign investors, the abysmal rule of law and which sometimes subsequently leads to violations of economic freedoms which are seen as a negative impact of unstable political environment. The consequences of political instability are

sometimes immense that countries that does not experience it sometimes tends to suffer because of the particular setting or regions in which these countries find themselves. Some countries situated in the Middle and Far East and also some parts of sub-Saharan Africa suffer from the turmoils of political instability which in a long run affects their attractiveness to investors because these areas or regions are been labelled fragile and can lead to lose of investments. All these consequences outlined shows the influence political stability possess in making a particular country attractive in the eyes of foreign investors.

2.3.3 Government Effectiveness

Globally, countries have initiated various policy incentives to improve the attractiveness of FDI. This is much critical since investors are aware of such policies, they evaluate countries that have them and those that do not have them before making investment decisions (Corpoa, Somey, and Zandy, 2014).

Another major determinant that most foreign investors deem attractive about a country is government effectiveness and the ease of entering its market considering other factors show positive signs i.e., macroeconomic indicators and share of the market it possesses. As highlighted in the above table earlier, a strong consideration is given to the legal regime and cooperate governance before a possible investment is done in a country. Due to this, many foreign investors actually research countries' policies to find out which better suits them and their operation in those various countries.

In order to attract investors, many emerging economies have begun, over a decade or so, deliberately liberalizing their national policies in a bid to create a conducive legal regime for potential FDI by easing rules with regard to market entry and foreign ownership, enhancing the treatment given to foreign firms/investors, and also enhancing market performance. These key policy decisions are critical because FDI may not thrive if these indicators are prohibited or severely hampered. Alteration in policies, on the other hand, may have diverse effect on the location of FDI: changes which allows for greater openness enables firms to set up in specific location, but not a total guarantee that they will do so. Changes that allow less openness, on the other hand e.g., nationalization or entry barriers, will result in reduction in FDI. The fundamental incentives at the heart of FDI are cost reduction, tax optimization, and the ease of entry into new markets for investing countries versus potential growth and job creation for the receiving country. These investments, which are a good indicator of a country's economic attractiveness, increased dramatically in the 1980s Padma (1999).

Import tariffs do draw foreign direct investment (FDI) into sectors that are protected from competition, but they ultimately won't be as significant as the FDI enticed by stable regimes (Sayek, 2009). This is due to the unstable regime's subsidies are often unrealistic, designed to compensate for the lack of location-specific advantages, and their extension is dependent on the whims of legislators. Foreign companies are unlikely to invest heavily in unstable countries because they are wary of sudden policy changes. The tariff-jumping type of FDI, which is enticed by import restrictions, is likely to be transitory and only last as long as the artificially imposed incentives created by policy. Strong statistical support exists for these claims (Balasubramanyam & Salisu, 1981; Balasubramanyam, Sapsford & Salisu, 1996)

Innovation policy seeks to improve host countries' performance and outcomes, whereas investment promotion seeks to create a positive image of the country as a destination for international investment (OECD, 2011). Most countries prioritize attractiveness for international investments as a policy priority: developed countries hope that these new investments will compensate for their declining comparative advantage in more labor-intensive activities, whereas emerging countries see these activities as an important lever for their economic development. The implementation of countries' active attractiveness policies for a relatively limited supply of investment projects has increased policy competition among countries (Tam, 2012).

A country's appeal to international firms is weighed by its attractiveness. Companies want in-depth information about a country's preparedness for its external business prospects because investment in foreign countries is a critical aspect of international business. These firms assess profitability and risk of doing business in a prospective country before looking to invest or start a business there (Groh et al. 2018). This judgment entails researching environmental factors in order to reach a decision. Businesses clearly prefer a less expensive country, which is less risky and more profitable. Issues with costs are mostly embedded with investment. Profitability is determined by the resources available. It is a major concern because risks are linked to the environment. There are many different types of risks, but most people agree that countries with a more stable economic, social and legal conditions are more desirable for setting up a business (Groh et al. 2018). Given the rapid growth and development of digital technology, retaining the economic competitiveness necessitates regular infusions of funds to finance diverse innovations. Accordingly, attracting foreign investment for this reason has several advantages: it increases the country's capacity, introduces new technologies, and changes corporate culture. It is therefore critical to understand what factors influence investors' decisions to increase FDI inflows into a specific country (Avetisyan, 2020).

2.3.4 Gross Domestic Product (GDP)

Many foreign investors in a broader perspective always deem GDP or GDP growth as a breeding ground for yield in investment since mostly GDP growth in many cases brings about economic growth and profits. From previous studies by scholars, it is quite obvious from their results that GDP or share of market is one strong indicator as a pre-requisite for a country to be seen in the attractive bracket. It is known that the paramount goal of any foreign investor is to make profit aside any other goal so investing in a market that is not growing or has the prospects to grow in any time would be a turn-off for them. A market that portrays a strong foreign exchange, technological advancement, and fosters a healthy competition amongst industry players are most often desired by investors (Brooks and Sumulong, 2003; Loree and Guisinger (1995)).

In reference to the previous table above, many of the researchers sort to cite GDP or the size of the Market as also one of the factors that attracts some specific investors into a country. For example, investors who are into services would look at the share of the service sector in the overall GDP of a country and see how feasible it is to invest in it, be it financial services, ICT services or the likes. A country with Service providing a bigger share of the GDP would tend to be lucrative because it may be deemed to be thriving considering if there is year on increase over some period. Likewise, if the share of industry or agriculture seems to be the ones contributing more to the GDP of a country, investors can be able use this to either determine where their investments would yield profits or not if they invest in that particular sector.

2.3.5 Infrastructure facilities

It is unnecessary to elaborate on the importance of infrastructure facilities in determining FDI. In this context, "infrastructure facilities" should be broadly construed to include not just to transportation modes and communication systems but also an environment that is conducive to both work and recreation (UNCTAD, 2017). These are essential for all investments, whether they are domestic or international. The experience of the Indian software sector serves as an example in this context. Although the sector has few transportation infrastructure needs, the companies in the sector rely on satellite facilities to export their products. The atmosphere of the city, with quality infrastructure for school level education as well as sports and recreation facilities, is another oft-cited explanations for the concentration of technology companies, including foreign - controlled firms, in the south Indian city of Bangalore. (Balasubramanyam and Balasubramanyam, 2010)

In addition to infrastructure as a parameter to informing decision making, currently developing countries with good internet bandwidth speed attract most investments, one of such country is Kenya which is in East Africa. Ghana and Nigeria have been touted as internet penetrated country with 25 – 30% year on year adoption rate and bandwidth being increased yearly (UNCTAD, 2019). There is also the fact of educational system, countries with well-developed and harnessed educational infrastructure and development like vocation training tends to attract FDI. This is due to the skilled labor needed for specific works locally (Robinson, 2018). In every investment decision, investor take special initiative into searching for the best of the skilled labor to hire in the production process. Countries with such available resources are much more attractive to investment.

2.4 Significance of country attractiveness in global competition

In order to survive, advance, and prosper, countries compete (Morgenthau, 1978; Porter, 1990; Vietor, 2007; Waltz, 1979). Realpolitik is a global game of survival where the militarily superior nations, or "empires," have conquered colonies. The United States is largely viewed as the superpower or hegemon in the current unipolar system, accompanied by China and other potentially dangerous powers in the "arms race" (Walt, 2006). However, countries with economic and political power, or "invisible hands," compete for market share by battling for foreign direct investment and export duties through their businesses in order to expand and boost their living standards in the world economy (Vietor, 2007).

Winners in the international markets, which are typically determined by "wealth of nations" or "national competitiveness," may include developed and developing nations like G7, OECD, and G20 members. How do nations defeat one another in the age of globalization in light of this? A country's hard power, which includes its military and economic might, is divided into three interdependent levels or spheres of influence, with the military sphere at the top and the economic sphere in the middle, according to Nye's (2004) "three-dimensional chessboard" model. The ability of a nation to sway the behavior of another via non-military means, such as persuasive communication or attraction instead of coercion or payments, is known as "soft power," according to Nye (2004), and it exists at the bottom of his framework (Nye, 1990). He claimed that these changes in politics, society, and or the environment could make using soft power a strategy for winning in international competition, particularly after the Cold War.

These included elements like concern for climate change and interest in life quality. For instance, nations must increase their appeal to potential travelers and highly skilled immigrants in order to compete in competitive areas like international tourism and migration. Similar to

this, in the space of export sales economy or foreign investment, a country's increased attractiveness can benefit its ability to sell goods and services produced there as well as host industries, businesses, and factories by drawing in foreign customers and investors.

Each nation has a strategy "whether it is explicit or totally implicit" to win in international competition (Vietor, 2007). Public sector organizations are urged to implement marketing and promotion strategies in a globalized world to increase public awareness of their nation's image and brands in order to draw in a variety of customers, including citizens, tourists, and businesses (Kotler and Gertner, 2002; Page and Hardyman, 1996). For instance, overall organizational branding to build an agency's name, track record, and image as a reputed organization may be a helpful tactic in luring the top government talent (Kim, 2008). Therefore, it is crucial for researchers and policy makers to look into the idea of country attractiveness as a key component of a country's soft power (Nye, 2004), as it may be a significant factor in elevating a country's success in the global competition.

2.5 Conceptual framework

The conceptual framework of the study focuses on the determinants of country's attractiveness and how it has the potential to impact on the attractiveness to investment and prominence on the global stage. In furtherance, taking into consideration how these determinants could help one country improve on the rank and scale of global destination for not just business investment but also other social, tourism and important factors which improves on country's growth and development. These determinants have been categorized as the explanatory variables and their relationship and impact on attractiveness to investments among other measurable factors.

The explanatory variables are Gross Domestic Product (GDP) the market share of the country within that region, the ease to market entry, foreign direct investment attraction, the political stability, infrastructure availability and development this takes into consideration the innovation and technological advancement that have been implemented in the country of measurement, aside that the macroeconomic factors such as inflation, interest rates and other factors will be taken into consideration.

Explanatory variables

Criterion variable

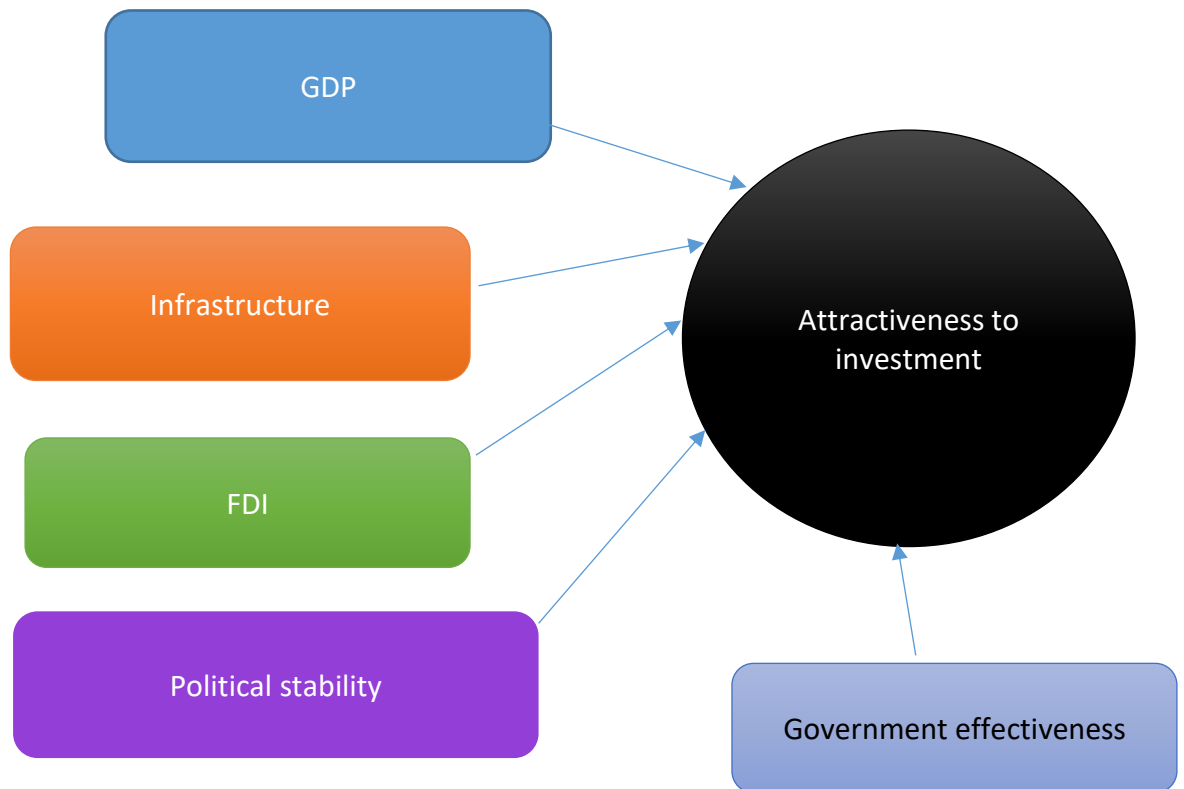


Figure 2.1 Conceptual framework

2.6 Conclusion

In summary, the study commenced with the concept of country's attractiveness, delving into the various scholarly works and studies that supports these concepts. Then the theory of determinants of attractiveness were taken into consideration. The various studies that back and support the determinants have been expatiated on in the table 2.1 above, thus taking into consideration the necessary scholarly works to prove the case on the impact on country's attractiveness. Thus, various studies, their methodology, the findings and measurement variables have been taken into cognizance. This also shows the available literature to be used in guiding the research work. Thus, these determinants were used to develop the hypothesis structure to ascertain the positive or negative relationship between the independent and dependent variables of the study. However, these determinants impact on the country's attractiveness.

3. RESEARCH APPROACH AND STUDY REGION

This section of the research delves into the tools, strategy and method of selection of the study region for the study. The aim, data collection method and source, data analysis tool used, justification for the study area and description are all discussed in this chapter. The limitation of the study is also included in this section.

3.1 Aim of the Study

The thesis aims to propose a way to compare the attractiveness of countries in a selected region. The proposal will be based on available data and the utilization of geo-information technologies but not limited to them. Existing approaches to country attractiveness evaluation (including key factors and possible measures) which has been discussed in the previous chapters would be used in analysis in the next chapter. Utilization of country attractiveness in country promotion in various fields, i.e., tourism and international business, will be discussed. The proposal will be applied to the chosen area of interest. The obtained results will be interpreted and visualized again in the next chapters.

3.2 Scope of Study

The study area for the research is the Central European Region made up of 14 countries. For the purpose of this study, the selected countries were used in order to access their country-level attractiveness evaluation and visualization. The countries selected for the study are the Czech Republic, Lithuania, Hungary, Slovakia, Croatia, Poland, Bulgaria, Slovenia, and Serbia.

3.2.1 Rational for Selected Countries

These countries are considered emerging economies and have undergone significant economic growth and development since the fall of communism in the late 1980s and early 1990s. However, all of these countries are members of the European Union, except for Serbia, which is a candidate for membership. The study focused on their Macroeconomic indicators, Business and Management, Data Analysis and Visualization, Marketing, and Communication, Geography and Regional Studies, and Tourism potentials. This would involve collecting and analyzing data on various economic, political, social, and cultural indicators that are relevant to the region.

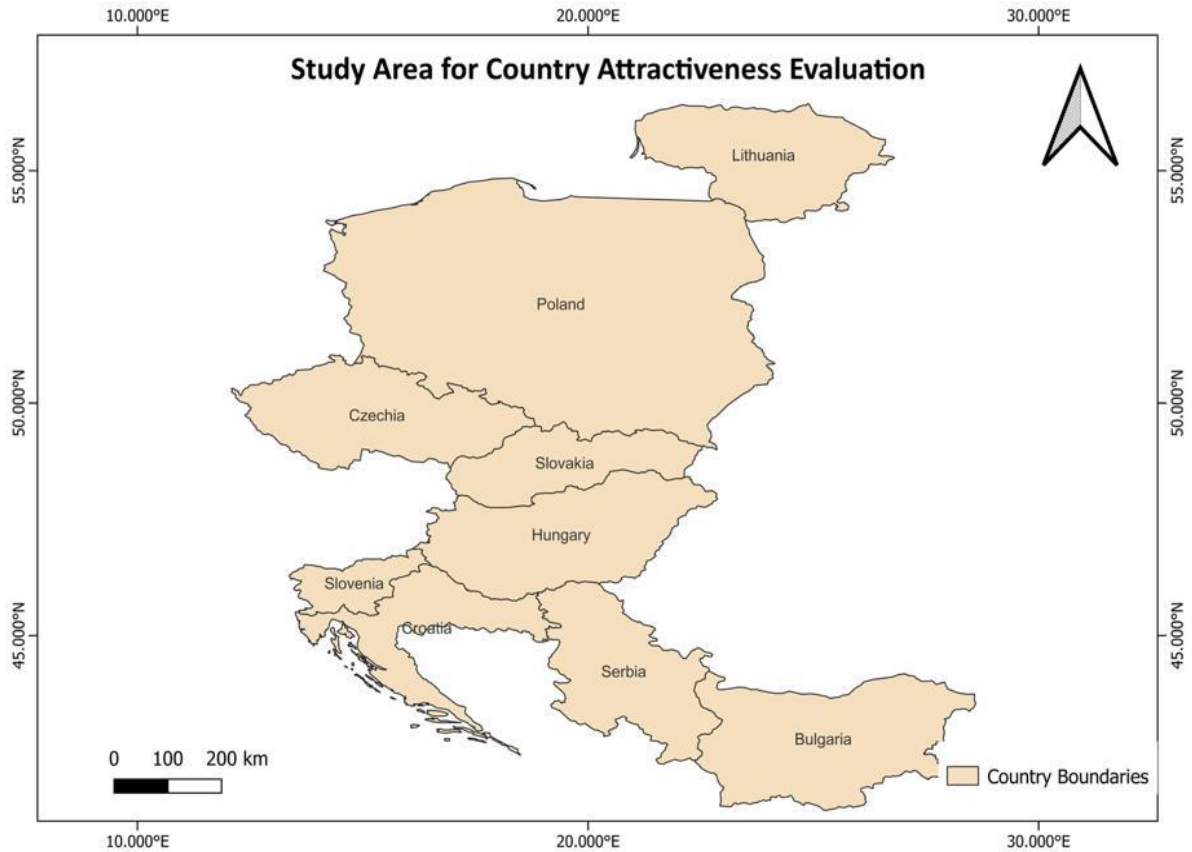


Figure 3.2.1: Map of study area

3.3.1 Data Source and Collection

Data is typically categorized into primary and secondary considering how you source them. With the primary been data sourced directly from respondents or participants whereas the secondary data refers to data that is collected from externally known source. Sometimes these data are processed be it in previous studies or data gathered and stored by known source as previously stated. For the purpose of this study, the secondary data source would be used as it has to do with countries. Data would be mainly sourced from Eurostat considering the study area is in the European region and supporting data also from World Bank and IMF. These data sources were

chosen because of the authenticity and reliability of the source as it is proven to be used for many empirical studies which have been used in the literature.

3.3.2 Data Analysis Method

Data analysis is an essential part of the thesis work because it explains the results from the data gathered for the study. The data to be analyzed is gathered from the sources to be used which would then be incorporated into Quantum Geographic Information System (QGIS) which would be the analysis tool to visualize the data so as to derive the results from the maps that would be generated. Information can be effectively communicated to a range of audiences through visual presentation. Maps are among the most often used types of visual information. Consider how frequently you consult or utilize a map every single day. Understanding mapping and spatial analysis can help virtually all planning and research-related jobs become more productive.

The researcher opted to use a GIS tool for the analysis as the aim of the thesis was to visualize data derived using the determinants and variables that were proposed for the studies. The study period was chosen from 2017 to 2021 representing years prior to Covid-19 and also after Covid-19. Even though 2021 was just a year after the covid-19 recovery it represented the current period in which data is available for the purpose of the study.

The countries in question for the study as shown in figure 3.2.1, would be comparatively studied as they are situated in the same geographical setting and to analyze with the variables as to which countries pose to have stronger or resilient characteristics that would make it more attractive for investors in various sectors to be lured to these particular countries.

3.4 Significance of the Study

This study presents a visual portrayal of the relationship between the determinant/variables using geospatial analysis methodologies and mapping technologies, revealing insight into socioeconomic factors and guiding policymakers in making decisions. This study would also enable the detection of geographical patterns, the integration of several layers of data, the analysis of temporal changes, and interactive data exploration by utilizing geospatial analysis methodologies and mapping tools. In the end of the study, these insights would serve as a valuable source for helping decision-makers, economists, and other stakeholders develop successful plans, draw in capital, and promote sustainable economic growth.

3.5 Study Limitation

Notwithstanding the extensive methods used in this research, it is vital to point out some flaws in this thesis. There are quite a few of these limitations that can be pointed out with regards to this study. To start with, the coverage, methodology, and dependability of the data sources may differ, which could have an effect on how accurate your visualizations are. Despite the fact that QGIS supports spatial analysis and visualization, considering the data is accessible at the national and regional scale, it poses a difficulty to visualize it at a more granular level, like the city or district level. Another limitation has to do with the fact that, there may be interpretational challenges as the user's comprehension of the data and context is a prerequisite for interpreting the visualizations. Effective interpretation depends on accurate data analysis, subject-matter expertise, and careful consideration of spatial linkages. Data compatibility also poses as a limitation to the study. The information could be in several forms, have distinct spatial references or projections, or come from various sources. It can take some time and require data processing or transformation processes to ensure that the data can be correctly incorporated in QGIS. For the credibility and reliability of the data, the official website for Eurostat where the data is verifiable was used for data collection for the purpose of visualizing and analysis of the results.

4. RESULTS AND ANALYSIS

This section of the study deals with the visualizations and descriptive analysis of the variables that have been used to measure country-level attractiveness. The visualization was created using QGIS, a geographic information system software, to map and visualize the specific variables values for each country over this five-year period. Most importantly the need to evaluate the specific areas that contribute to a country's level of attractiveness for FDI. The variables used for the visualizations are GDP, FDI, Political Stability, Government Effectiveness, and Infrastructure in terms of broadband internet access. Countries in Central Europe that were used for the analysis are; Slovenia, Slovakia, Croatia, Poland, Czech Republic, Serbia, Hungary, Bulgaria, and Lithuania.

The visualization presents a series of thematic maps that illustrate the GDP, FDI, Political Stability, Government Effectiveness, and Infrastructure values for the selected countries in Europe from 2017 to 2021. Each visualization map is color-coded to represent different ranges and levels of the variable they measure, allowing for easy identification and comparison of countries based on their economic performance. The analysis has been structured according to the specific variables used for measuring the country's attractiveness. Thus, the comparative years have been evaluated and analyzed in detail to ascertain their level of impact on specific years over the period of time.

4.1 Analysis of Gross Domestic Product (GDP) per capita from 2017-2021

Figure 4.1 illustrates the group of visualizations on the GDP of the selected countries. Comparing the GDP values across different countries in Central Europe, there was the identification of various levels of economic development. Thus, the possibility of identifying varying levels of economic development. The table below shows the GDP per capita of the selected countries spanning over the years.

Table 4.1. GDP per Capita for selected countries

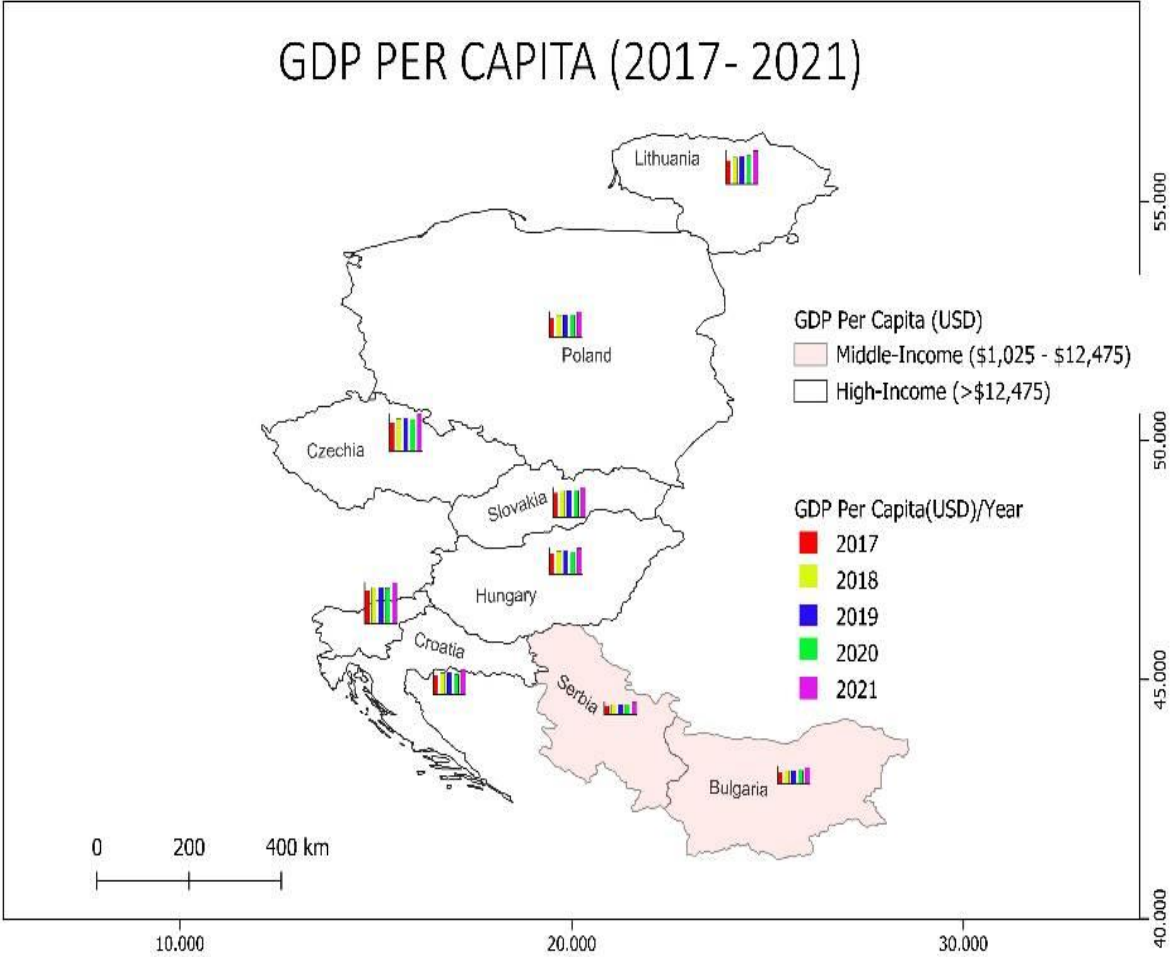
TIME	2017	2018	2019	2020	2021
GEO (Labels)					
Bulgaria	8366.2932	9446.7171	9879.3343	10129.813	12221.497
Czechia	20636.2	23424.48	23664.848	22992.879	26821.245
Croatia	13655.816	15244.431	15331.883	14198.754	17685.325
Lithuania	16885.407	19186.36	19595.142	20339.521	23723.34
Hungary	14621.24	16425.101	16782.952	16120.989	18728.122
Poland	13815.622	15504.58	15699.911	15816.989	17999.91
Slovenia	23514.025	26123.747	26016.079	25545.241	29291.401
Slovakia	17585.197	19486.394	19383.481	19545.743	21391.925
Serbia	6292.5436	7252.4019	7417.2036	7733.8029	9230.1783

Source: EUROSTAT Database

Countries with a higher level of GDP have been identified as the Czech Republic and Slovenia and in 2017, they were in the range of 20,636 USD – 23,514 USD of GDP per capita. However, in 2018, Lithuania was able to show a high level of economic development since it captured an increase in GDP per capita from 16,885 USD in 2017 to 19,186 USD whereas countries like the Czech Republic and Slovenia have still maintained their high economic activity. Across these 2 years, Serbia has been the least among the countries with lower GDP per capita (6,292 USD) and a signal of low economic development. This is also followed by Bulgaria (8,366 USD) which has not actively demonstrated a higher level of economic development. Thus, while they might be better than Serbia for the years 2017 and 2018, they are not above the mean GDP per Capita across the region. In 2017, Slovakia (17,585 USD), Poland (13,815 USD), and Lithuania (16,885 USD) were in the same median level of GDP of economic development, however, Lithuania was able to perform exceedingly well in 2018. Hungary (14,621 USD) and Croatia (13,655 USD) were in the same median level of GDP in 2017, however, Hungary was able to improve their GDP per capita and economic development in 2018.

Between the years of 2019, 2020, and 2021 some countries like Slovakia slipped in their GDP per capita performance and others remained the same or stagnant in their GDP and economic development. There was not much of a significant improvement across the various countries such as Bulgaria, Croatia, and Serbia which specifically occupies the least of the performing countries. In the year 2020, Czech Republic, Croatia, Hungary and Slovenia were the country that had a marginal drop in GDP per capita performance even though still considered high. Poland, Bulgaria

and Serbia were the only countries as can be seen in the table as the only countries that recorded continuous increase in GDP per capita growth across the five year span. It can be seen that Czech Republic, Lithuania, and Slovenia maintained their performance as the countries with the higher GDP per capita growth and economic performance. The weaker Economies were Serbia and Bulgaria.



Source: Authors own visualization

Figure 4.1: GDP per capita Trends from 2017 to 2021

4.2 Analysis of Political Stability Trends from 2017 to 2021

Figure 4.2 illustrates the visualization of the Political Stability values for the selected countries in Central Region over this five-year period; 2017 to 2021. To measure a country's attractiveness, political stability was adopted as a variable to represent the level of political stability and absence of violence or political unrest within a country. It provides valuable insights into the political climate and governance of each country. The political index is measured on the scale of -2,5 which is least score and with 2.5 depicted to be the highest. The table below shows the political stability positions of the selected countries spanning over the years.

Table 4.2 Political Stability for selected countries

	TIME 2017	2018	2019	2020	2021
GEO (Labels)					
Bulgaria	0.33204991	0.45627794	0.578861	0.41806021	0.45826912
Czechia	1.00003648	1.03198218	0.94388747	0.92209572	0.95760065
Croatia	0.69203192	0.8028065	0.69469994	0.61154687	0.7078743
Lithuania	0.77579725	0.7410422	0.7798127	0.92775738	0.81542975
Hungary	0.80656302	0.74717593	0.77215809	0.84314531	0.86137176
Poland	0.51837826	0.49254155	0.56365353	0.51610541	0.51242966
Slovenia	0.87339979	0.90113711	0.80742919	0.71093553	0.7600435
Slovakia	0.90998942	0.74344349	0.66715771	0.63232523	0.55957747
Serbia	0.08685538	0.00895112	-0.0659501	-0.1637415	-0.1342256

Source: EUROSTAT Database

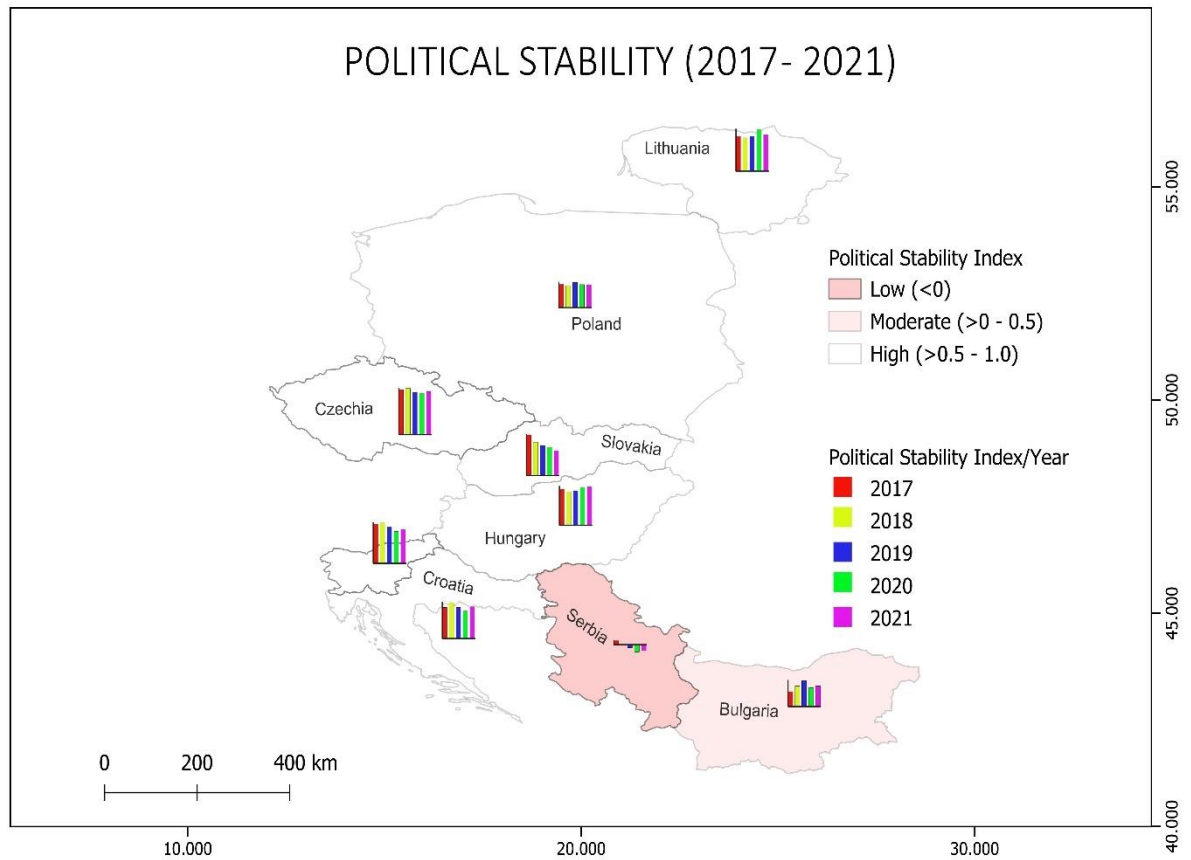
As seen in the table, Serbia has shown lower on the Political Stability index over the years and the strongest been from 2017-2018 with the range of 0.086 – 0.008. For the period 2019, and 2020 and 2021, there has been a continuous decline in political stability in the country compared to the others in the region, thus, the ranges of -0.65, -0.16 and -0.13 for the respective years mentioned. However, there have been two dominant countries that have established higher political stability, thus, the Czech Republic (1.00) which is the highest ever achieved by any of the countries and Slovenia (0.87), have demonstrated steady and clam political climate. Also, most unique, in 2020, Slovenia slipped in the index mainly due to change of government and the two waves of Covid-19. As widely known, the Covid-19 period made a lot of countries experience some form of political instability due to civil unrest and health/safety issues emanating from how governments handled the pandemic. Nonetheless, some countries like Lithuania and Hungary also showed high ranking over time. In 2020 and 2021, they ranked high on political stability which was their best

performance compared to the other years and this can be attributed to constitutional reforms that we adopted by the countries. Additionally, there were countries like Poland and Bulgaria with average ranks ranging from 0.49 – 0.56 for Poland and 0.33 – 0.57 for Bulgaria.

Despite Bulgaria showing its weak performance of 0.33 on political stability, it still ranked high ahead of Serbia which is the lowest in for all the year span. The weakest period for the country was in 2017 and the highest was in 2019. However, 2018, 2020, and 2021 have been stabilized much more assertively.

Poland has always performed averagely on the index and only took a dip (0.49) in 2018 but the rest of the years has been seen to be on the average mark. However, they improved stability in 2019. However, due to the proximity of the location to Russia and Ukraine which are considered volatile areas, the index dipped from 2020 and 2021. Which does not imply a good level of political stability.

Continuously, the trend of political stability has favored countries like the Czech Republic, Slovenia, Lithuania, and Hungary, even though the latter was not performing considerably well in the years 2017 and 2018, there have been improved performances in their political stability over the period of 2018 – 2021. Serbia has been the weakest among the countries in terms of the ranking on political stability. Those who find themselves in the middle of the rank were Slovakia, Poland, and Croatia.



Source: Authors own visualization

Figure 4.2 Political Stability Trends from 2017 to 2021

4.3 Analysis of Foreign Direct Investment (FDI) Trends from 2017 to 2021

Figure 4.3 illustrates the visualization of Foreign Direct Investment (FDI) from 2017 to 2021 across a selected group of countries in Central Europe. In this metric, the FDI was calculated as the net inflows of a percentage of GDP. Thus, each map employs a color scheme to represent different FDI ranges, enabling easy identification and comparison of countries based on their attractiveness to foreign investors. Below is a table showing the FDI values for the selected countries.

Table 4.3. FDI Inflows for selected countries

TIME	2017	2018	2019	2020	2021
GEO (Labels)					
Bulgaria	3.39072422	2.72719038	3.22313254	5.12482333	2.52718675
Czechia	5.13872541	3.34323306	4.25745332	3.461936	2.7013543
Croatia	0.80134117	2.10981133	6.32260756	2.17386782	6.75828982
Lithuania	2.89733606	2.41824676	6.2725198	7.87838127	4.43175613
Hungary	-8.4780023	-40.086599	60.1881842	106.602576	16.1369601
Poland	2.28706667	3.26164548	2.9559373	3.19476619	5.46225362
Slovenia	2.46192789	2.83905082	3.9600122	0.94265435	3.4792503
Slovakia	4.41775584	2.12068481	2.15645441	-1.0700444	0.83319977
Serbia	6.55200965	8.04076379	8.28646741	6.53301465	7.29237064

Source: EUROSTAT Database

Also, the results observe the changes in FDI over the five-year period. This temporal dimension allows us to identify countries that have experienced consistent growth in FDI, those that have witnessed fluctuations, and countries that have struggled to attract significant foreign investment.

In 2017, the highest country with the FDI inflow as a percentage of the GDP were the Czech Republic, Slovakia, and Serbia, the recorded data showed that they had a percentage of 3.5 – 6.5. This clearly indicated the confidence that investors had in the economy. Likewise, considering the size of their GDP, this was similarly significant to some extent. However, the data was followed by Poland, Bulgaria, Lithuania, Slovakia, and Serbia, which showed that they had margins FDI as a percentage of % inflows in the year 2017 recording a value of 0.5 – 3.5% of GDP. The last of the countries with FDI inflows was Hungary which had a range of -8.5 – -5.5% of the GDP.

In the year of 2018, the data showed that Serbia and Slovenia improved on the FDI inflows into their countries with a range of 4.28 – 8.04%. This showed a trend of an improved performance from Slovenia, while Serbia maintained an attractive outlook. However, countries like Croatia declined in their FDI inflows with a -40.09 – 1.116 which also included Hungary unchanged. Poland and Slovakia dropped in the attraction of FDI into the country. While, of Bulgaria and Lithuania were stable thus, 1.16 – 2.8% of the GDP. Likewise, the Czech Republic had a range of 3.29 – 4.28% of GDP.

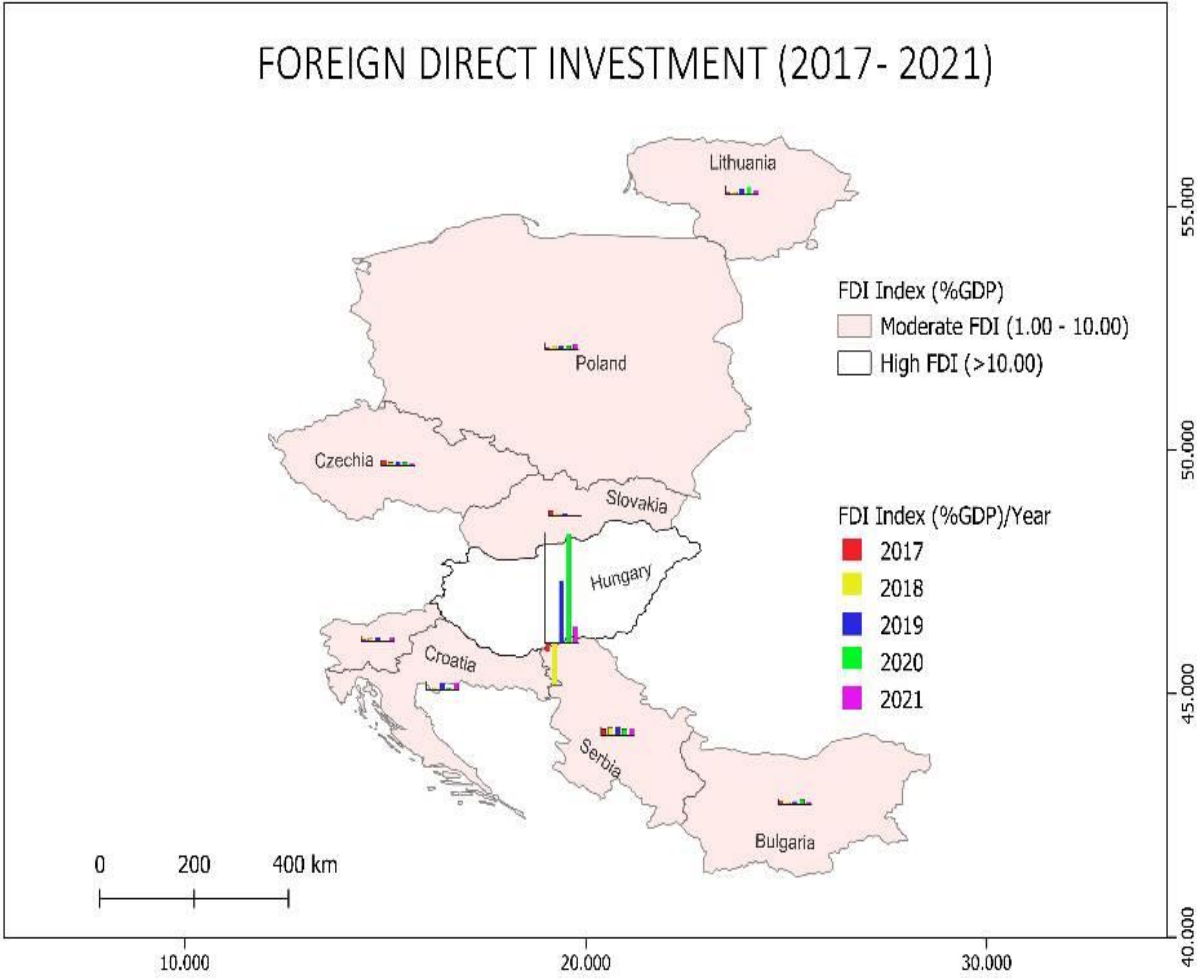
In relation to the year 2019 and 2020, Hungary was one of the countries that showed a strong sign of improvement, thus they attracted significant FDI compared to other countries mainly in the banking, automobile industry and ICT. The FDI figures stood at 60.18% and 106.60% for the respective years. The government implemented significant policies to attract such the FDI inflows in 2019 and 2020. Considering countries such as Lithuania and Croatia they improved their trend significantly to about 5.06 – 6.71% of the GDP. Poland and Slovakia dropped considerably and had a range of 2.16% – 3.17% of GDP, this showed a sharp decline in attracting FDI. Bulgaria saw a slower decline in the performance of FDI inflows compared to 2018 and had a range of 3.17% to 4.14% of GDP. Comparatively, the lowest performance of FDI in 2019 was ascertained to be countries such as Poland and Slovakia compared to higher performing countries Lithuania and Croatia.

Hungary and Lithuania's performance in 2020 was ascertained to be improved compared to the previous years of 2018 and 2019 at a range of 6.8 – 106.6% this showed a good trend for Lithuania. However, countries that saw a decline were Serbia with 4.12% - 6.8% of GDP, and Bulgaria with an improvement in the range of 4.12% – 6.8%. Likewise, the issue of Croatia with a value of 1.92 – 3.36% of GDP. The Czech Republic maintained a stable FDI inflow of range 3.35 – 4.12% of GDP. The trend showed that the least performing country was Slovakia and a decline in performance from Slovenia in the range of -1.07 – 1.92% of GDP.

Concerning the period of 2021, Serbia and Hungary received a higher FDI to GDP within the range of 6.87 – 16.14%. This data showed that the respective countries performed well in attracting investment into their respective countries. Nevertheless, countries that performed much better and maintained a strong trend of performance in attracting investment were Poland and Croatia occupying the range of 4.84 – 6.87% of GDP. Slovenia and Lithuania improved their investment attraction slightly into the range of 3.17 – 4.84%, this was critical to ascertain that they are improving their performance. Concerning the countries below the average was the Czech Republic which fell in the range of 2.67 – 3.17% of GDP in terms of the GDP. Most importantly, the least investment countries were Slovakia and Bulgaria with about 0.83% and 2.67% of FDI to GDP.

In conclusion, the visualization of FDI trends over the five-year period offers valuable insights into the attractiveness of the selected countries in Central Europe for foreign investors. The data

showed that Hungary and Serbia have seen a growing trend of FDI to GDP in their countries, while, countries that maintained their stability were Poland and Croatia. Most importantly, the least of them have been Bulgaria and Slovakia. The changes and patterns in FDI values serve as a basis for further analysis and policymaking in the field of country attractiveness. The figure below shows the visualization of the FDI inflows over the years.



Source: Authors own visualization

Figure 4.3 Foreign Direct Investment (FDI) Trends from 2017 to 2021

4.4 Analysis of Infrastructure with Broadband Access Trends from 2017 to 2021

Considering the important parameter of infrastructure as a yardstick for investors to estimate the level of attractiveness. This study used data concerning Fixed broadband subscriptions per 100 people in the respective countries in Central Europe. Below is a table showing the broadband usage per 100 people.

Table 4.4 Broadband Access/Usage for selected countries

TIME	2017	2018	2019	2020	2021
GEO (Labels)					
Bulgaria	25.0149671	26.7504666	28.5680661	30.3053198	32.7333751
Czechia	29.8737051	30.5928763	35.4907448	36.5154572	37.569593
Croatia	26.1392874	27.1023931	27.962284	25.1648942	25.8239935
Lithuania	27.501558	27.4237795	27.7429264	28.2512613	28.7934514
Hungary	30.2033182	31.4999614	32.6417887	33.4883738	34.8322404
Poland	19.809294	20.3819451	20.3617167	21.7787506	22.6572833
Slovenia	28.6892788	29.1390508	29.7200122	30.7726544	31.6792503
Slovakia	25.8414139	27.6775161	29.163461	31.1830763	32.5769666
Serbia	21.1492658	22.2890954	23.4424593	25.1834994	26.192559

Source: EUROSTAT Database

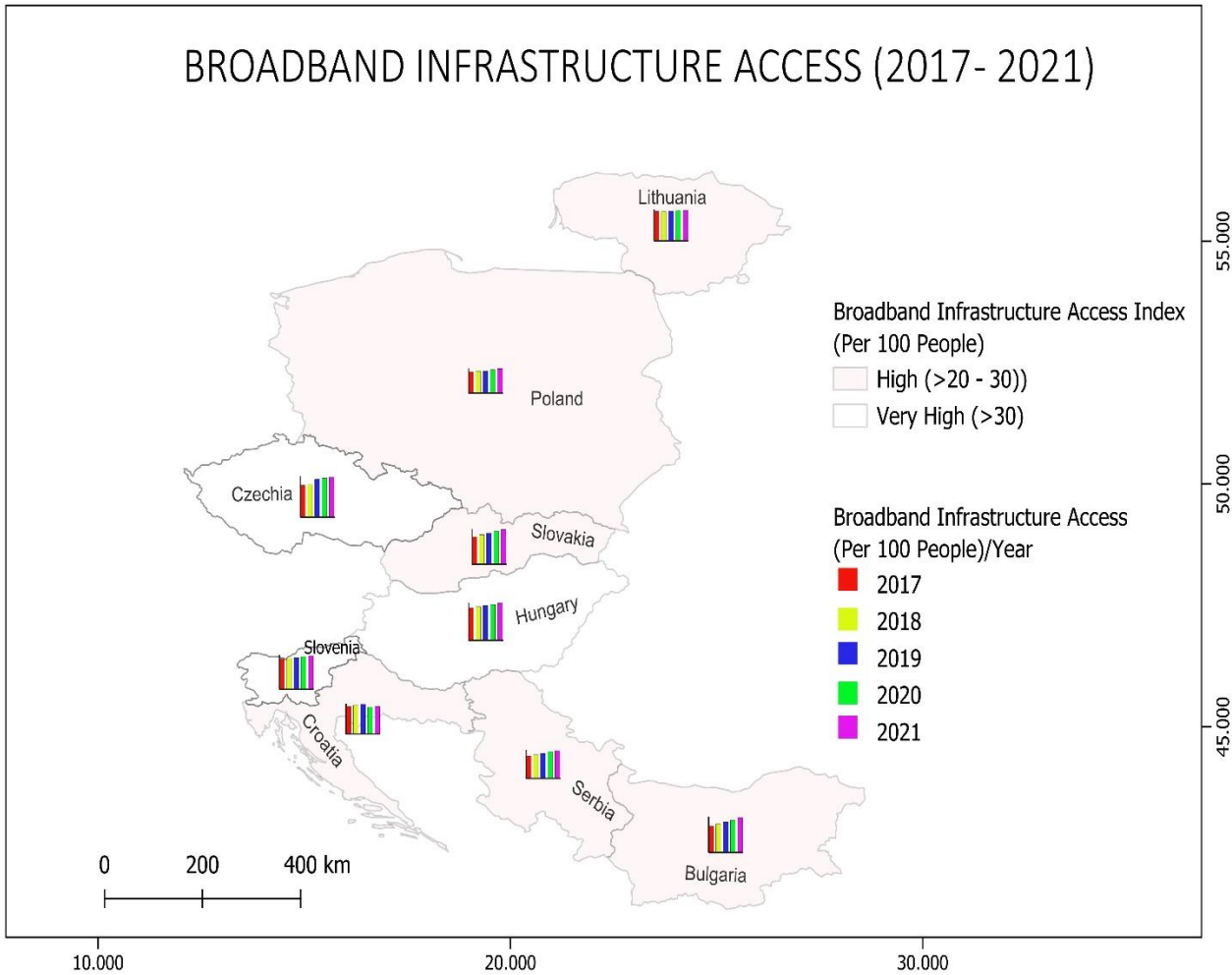
Figure 4.4 focuses on the trends in broadband access, a key infrastructure indicator, across a selected group of countries in Europe from the years 2017 to 2021. From the respective data points, each map employs a color scheme to represent different broadband access categories, allowing for easy identification and comparison of countries based on their infrastructure development. The maps reveal distinct spatial patterns in broadband access across the region. Countries with higher broadband access levels are depicted with darker shades or larger symbols, indicating better infrastructure development. Conversely, countries with lower broadband access levels are represented by lighter shades or smaller symbols, suggesting relatively weaker infrastructure in terms of internet connectivity.

From the results, between the period of 2017, 2018, and 2019, Hungary, the Czech Republic, and Slovenia were the highest access to broadband internet which served as a yardstick for better infrastructure/Subscription with a range of 28.1% – 30.2%, 30.59 – 31.5% per 100 people. However, in 2018, Slovenia and the Czech Republic lost their highest access and had a range of 28.25% – 30.59% per 100 people. However, Hungary had consistent access of 30.59 – 31.5 per

100 people. This clearly shows that the country has been putting up a lot of infrastructure in this regard. The trend shows that in 2019, the highest recorded was the countries; Hungary and the Czech Republic in the category of 32.5% – 35.5% per 100 people. In 2020, the Czech Republic was the only country with the highest broadband internet access with a range of 33.6% – 36.5% per 100 people, this indicates the consistent effort and investment that the country has put into the infrastructure of access to broadband internet. In 2021, Hungary and the Czech Republic had the highest access of 34.6% – 37.6% per 100 people. This clearly shows that over time, Hungary and the Czech Republic have had a great deal of investment.

Croatia and Lithuania were recorded in 2017 to have decent access to broadband internet with a range of 26% – 28.1% per 100 people. However, in 2018 and 2019, their access to broadband internet declined to the range of 26.4% – 29.4% per 100 people. In that same year, countries like Poland, and Serbia recorded the lowest of broadband internet access. Considering the period of 2020 and 2021, Croatia had poor access to the internet, thus, 25.6% – 28.8% per 100 people. However, Lithuania and Bulgaria have seen low access to the internet compared to other countries in the Central European region, from 2018, 2019, and 2021 they have had records of internet access between 25.8% – 27.2% per 100 people on average. This clearly showed a much weaker or lower access to broadband internet. With the exception of 2021, where Bulgaria improved on their internet access, there has been a continuous downturn in broadband internet access with a range of 31.6% – 34.6% per person.

From 2017 – 2021, Poland and Serbia proved to be countries with the lowest access to broadband internet, this was captured with the range they occupied of 19.8% – 21.9% per 100 people in 2017 and 22.7% – 25.6% per 100 people in 2021. Nonetheless, countries like Croatia and Bulgaria had lower access to the internet in 2018 and 2021 only, which showed that they have made significant improvements in their access. However, Poland and Serbia recorded the lowest on average in terms of access to broadband internet in the Central Europe countries which were selected for the attractiveness. The visualization of broadband access trends over the five-year period offers valuable insights into the infrastructure development and digital connectivity of the selected countries in Central Europe.



Source: Authors own visualization

Figure 4.4 Infrastructure with Internet Broadband Access Trends from 2017 to 2021

4.5 Analysis of Government Effectiveness Trend from 2017 – 2021

Figure 4.5 illustrates the attractiveness of the country based on Government Effectiveness. Specifically, government effectiveness from 2017 to 2021. This analysis focuses on the trends in government effectiveness which measures the effectiveness of policy formulation and implementation, civil and public service, and also government show of commitment in maintaining and improving these institutions. The government effectiveness index is measured by points by

which -2.5 been the weakest effective score and the highest been 2.5 and the various scores for the selected group of countries over the years are shown in the table below.

Table 4.5 Government Effectiveness score for selected countries

TIME	2017	2018	2019	2020	2021
GEO (Labels)					
Bulgaria	0.12831235	0.14073452	0.20231107	-0.1827315	-0.1391831
Czechia	1.06453896	0.98386735	0.94987851	0.94917595	1.11025178
Croatia	0.56878859	0.54725885	0.48991197	0.46102881	0.59104109
Lithuania	0.96136791	1.06573236	1.03744519	1.05077922	1.05660546
Hungary	0.52283073	0.4867543	0.49152106	0.57377309	0.63450784
Poland	0.58264631	0.57937431	0.54393095	0.3598482	0.29277676
Slovenia	1.16633189	1.11900711	1.07539082	1.15800929	1.17820323
Slovakia	0.69818193	0.61361498	0.58051628	0.53701955	0.52920651
Serbia	0.10149827	0.1073531	0.01524428	-0.0102546	0.04742716

Source: EUROSTAT Database

This parameter evaluates the performance of the government to attract investors and accelerate the process of business setup, operations, and efficiency. The visualization consists of thematic maps that illustrate the government's effectiveness scores. Each map employs a color scheme to represent different government effectiveness categories, enabling easy identification and comparison of countries based on their governance quality in infrastructure development.

The various countries have shown different trends between 2017 – 2021. In 2017, countries with higher government effectiveness score were ascertained to be Lithuania (0.96 points), Czech Republic (1.06 points), and Slovenia (1.16 points). The next country that also showed a decent effective score was Slovakia which had 0.69 points. Followed closely on the metrics score were Poland (0.58 points), Croatia (0.56 points), and Hungary (0.52 points). The least of the performing countries Bulgaria (0.12 points) and Serbia (1.10 points) were ascertained to have a lower government effectiveness score.

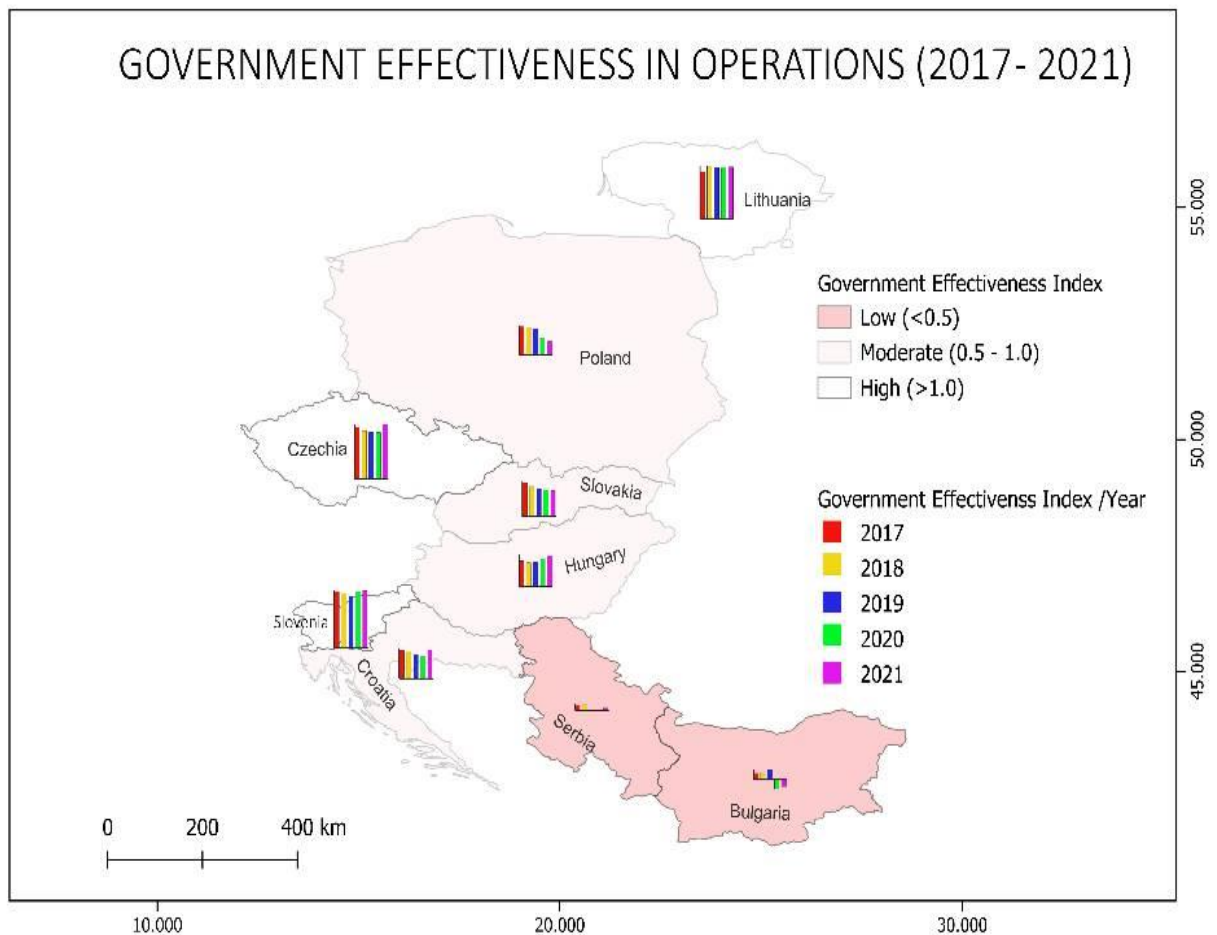
In relation to the year 2018, countries with the highest government effectiveness; Lithuania, Slovenia, and Czech Republic maintained a record higher effectiveness, this was followed by countries that also maintained their effectiveness score within the same bracket, thus, Poland (0.57 points) and same as Slovakia (0.61 points). Hungary (0.48 points) dropped slightly and Croatia (0.54 points) was still performing within the score it had previously held the last year. The last of the countries were Serbia and Bulgaria. This clearly showed that there were not many changes in

trends for countries in terms of their government effectiveness. Compared to 2019, there was not much change with the exception of Bulgaria (0.20 points) which improved significantly with improved government effectiveness.

In 2020 and 2021, the government effectiveness of Poland took a dip downwards as it recorded its lowest amongst the years from 0.35 points to 0.29 points for the respective years mentioned earlier for government effectiveness scores. However, Hungary improved from 0.57 points in 2020 to 0.63 points which showed significant gains in the effectiveness score.

In 2021, the highest-performing government effectiveness was Lithuania, Czech Republic, and Slovenia with the highest range of government effectiveness score from 1.05 points, 1.11 points and 1.17 points respectively. Bulgaria showed a decline in 2020 and 2021 as the score stood at -0.18 points and -0.13 points on the government effectiveness score. In relation to the average performance of government effectiveness, countries like Hungary and Slovakia still maintained their position within regards to the points scored. While Croatia marginally improved from the 2020 score of 0.46 points to 0.59 in 2021. Serbia saw an increase in the score from 2020 with -0.01 points to a positive standing of 0.04 even though still a low rank score as compared to all the other countries on the government effectiveness index.

In conclusion, while the countries maintained their positions; Czech Republic, Slovenia, and Lithuania, there were few that maintained their trend i.e., Slovakia, Hungary, and Croatia as they showed them improvement over some particular time. Poland was the country that was maintaining its position in the score till it took a huge dip over 2020 and 2021. Serbia and Bulgaria were the least performing amongst all the countries. This clearly indicates the fact that the visualization of government effectiveness in infrastructure development over the five-year period provides insights into the governance quality of the selected countries in Central Europe.



Source: Authors own visualization

Figure 4.5 Government Effectiveness Trend from 2017 – 2021

4.6 Overall level of Attractiveness of Selected countries

In relation to the attractiveness of the countries selected from Central Europe, the evaluation was done with respect to the performance of these countries in a year-on-year basis. This was to ensure that some trends in performances are properly dealt with and given the necessary explanation. This might indicate areas that require further attention or improvement to enhance their overall attractiveness.

From the visualized data that was transposed on the maps for various determinants illustrates the various performance of the countries, 2017 showed that the countries with higher attractiveness were Slovenia and the Czech Republic. These countries possessed the highest scores amongst all the indicators that were evaluated. Countries like Slovakia, Poland, and Lithuania which also produced an impressive overall attractiveness at that period with their scores also showing appreciable improvements on all the parameters. Croatia and Hungary were in the average attractiveness category. Bulgaria was not so impressive at that point with one of the low overall performances, and the least of the countries with lower performance was Serbia which did not have a strong showing on all the parameters of overall attractiveness.

In relation to the year 2018, the countries with overall higher attractiveness increased to 3 countries, thus, Slovenia, Czech Republic, and Lithuania. This was followed by countries that did not see any improvement in their attractiveness thus, Poland, Slovakia, and Hungary in this category improved their overall attractiveness, as they showed little improvement in their scores on all parameters. Croatia did not show much of improvement either in the year in question in their overall attractiveness, while, Bulgaria did not see a change in their trend of overall improvement from 2017 likewise Serbia.

In 2019, the trend continued with the same three (3) countries showing a higher level of attractiveness, thus, Slovenia, Czech Republic, and Lithuania, the least of the countries were ascertained to be Bulgaria and Serbia as they continued to decline in their performance. However, Poland, Hungary, and Slovakia did not show much improvement or changes in the trend but still showed appreciable scores in all the parameters.

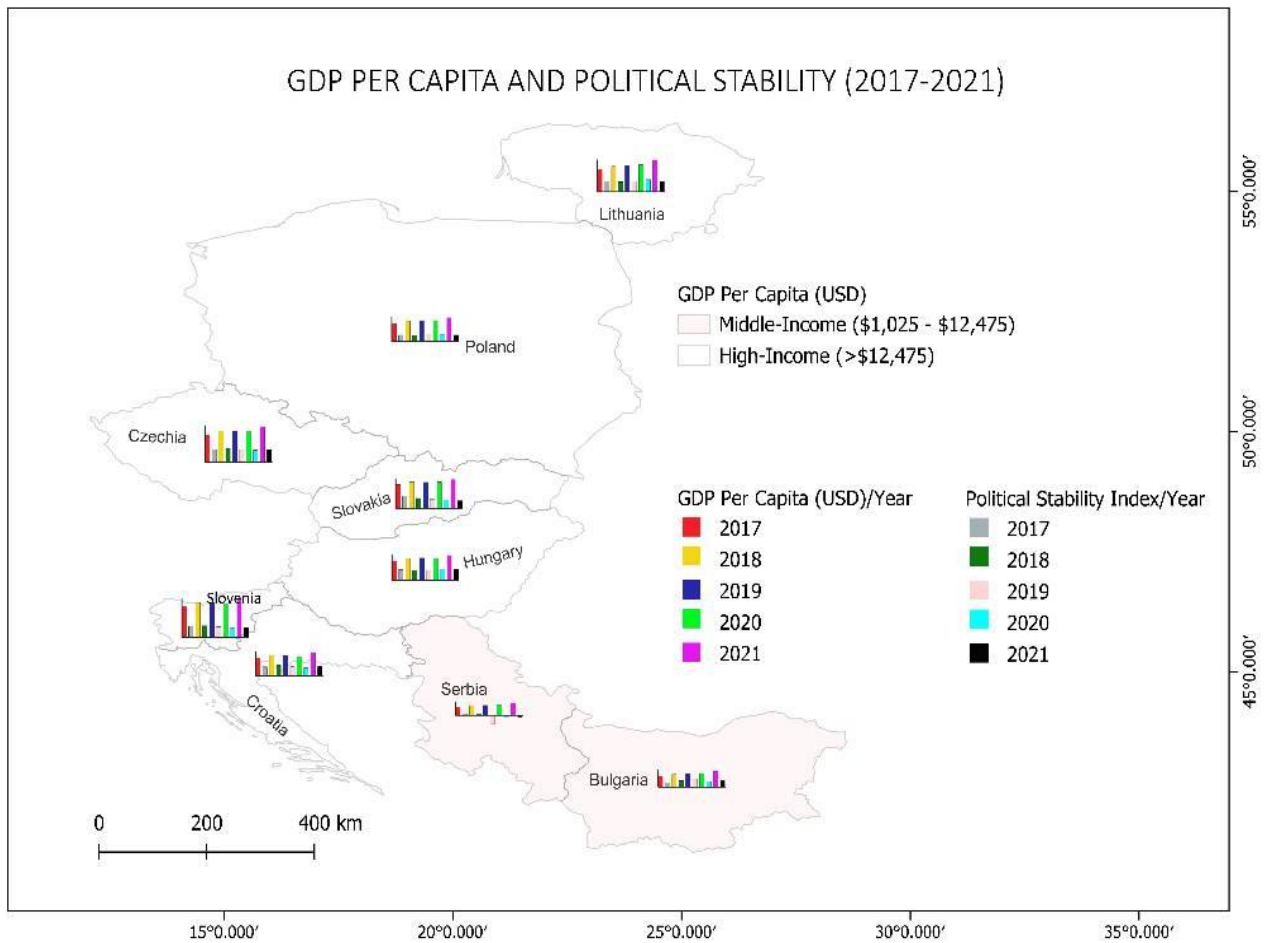
Considering the data for the year 2020, the trend did not change with three (3) countries showing a higher level of attractiveness, thus, Slovenia, the Czech Republic, and Lithuania, this was followed by countries such as Hungary, Poland, and Slovakia that had a sustained overall attractiveness but followed the leading three (3) countries. The country with average overall attractiveness was Croatia. Bulgaria was unchanged with a low performance together with Serbia as they continued to show weak performance on all the parameters.

In 2021, the highest performing countries with overall attractiveness continued to be were Slovenia, Czech Republic, and Lithuania, this showed that they are very attractive to investment and investors show much trust in the respective economies. Also, their political stability guarantees the necessary investments. Hungary and Poland maintained the average trend of their overall

attractiveness, while Bulgaria and Serbia maintained their low overall attractiveness amongst the countries in question. Conclusively, this showed that the trend of attractiveness among the respective countries changes slightly with the topmost performers being the Czech Republic, Lithuania, and Slovenia. However, countries like Hungary and Poland need to improve their attributes to join countries with higher overall attractiveness.

4.7 Visualization of determinants as compared with each other

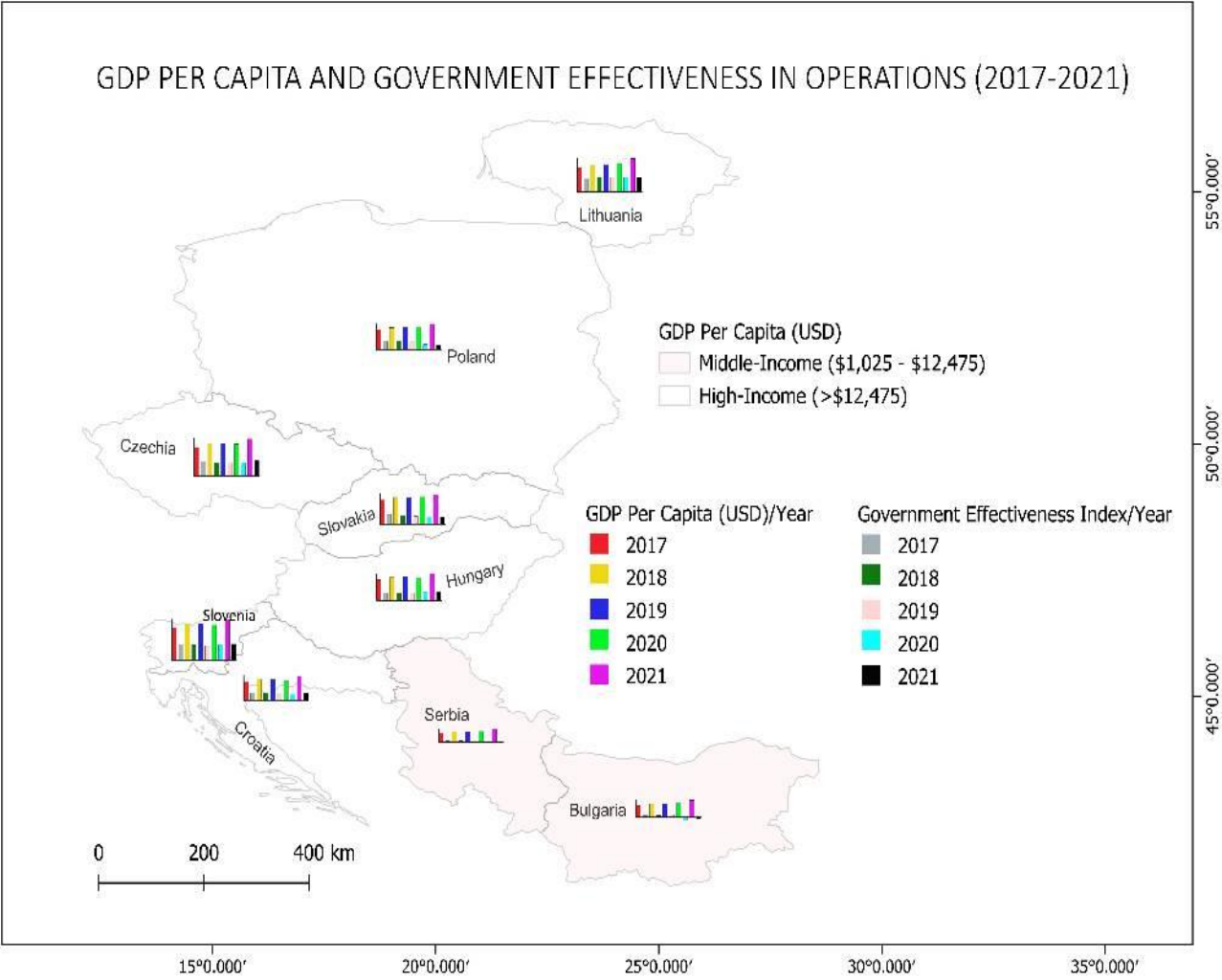
This visualization is to evaluate if there are direct influence between the determinants that are used for the studies. This is to analyze through visualization if there can be dependent variables amongst the determinants in the study. The figures below show the combination of some of these to determinants as compared to each other.



Source: Authors own visualization

Figure 4.7.1 visualization of GDP per capita and Political Stability

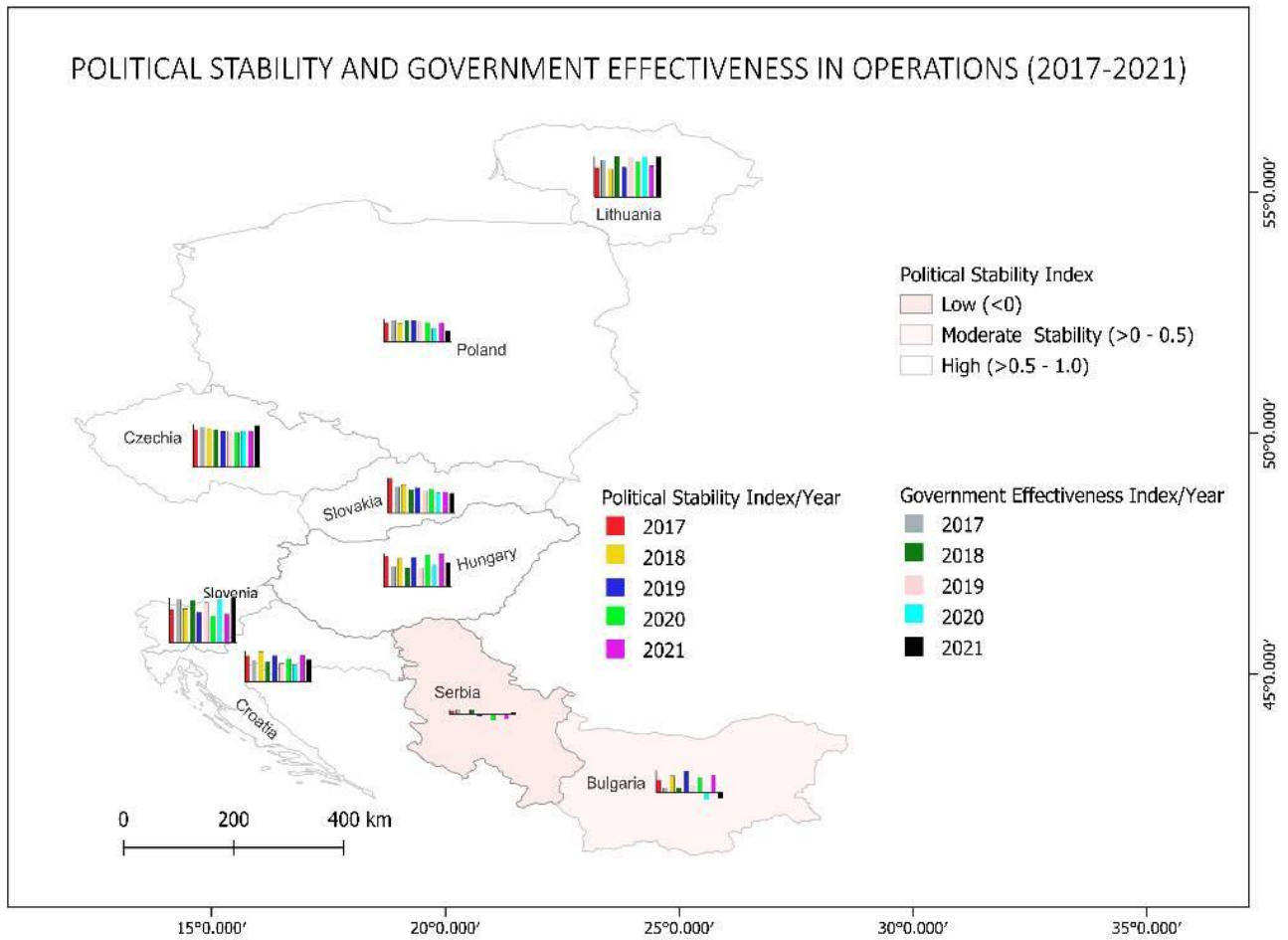
The figure above was visualized to determine if there is a direct influence between political stability and GDP per capita. As seen in the bar chat displaying the values for both political stability and GDP per capita, the change in value of one does not directly change the value of the other.



Source: Authors own visualization

Figure 4.7.2 visualization of GDP per capita and Government Effectiveness index

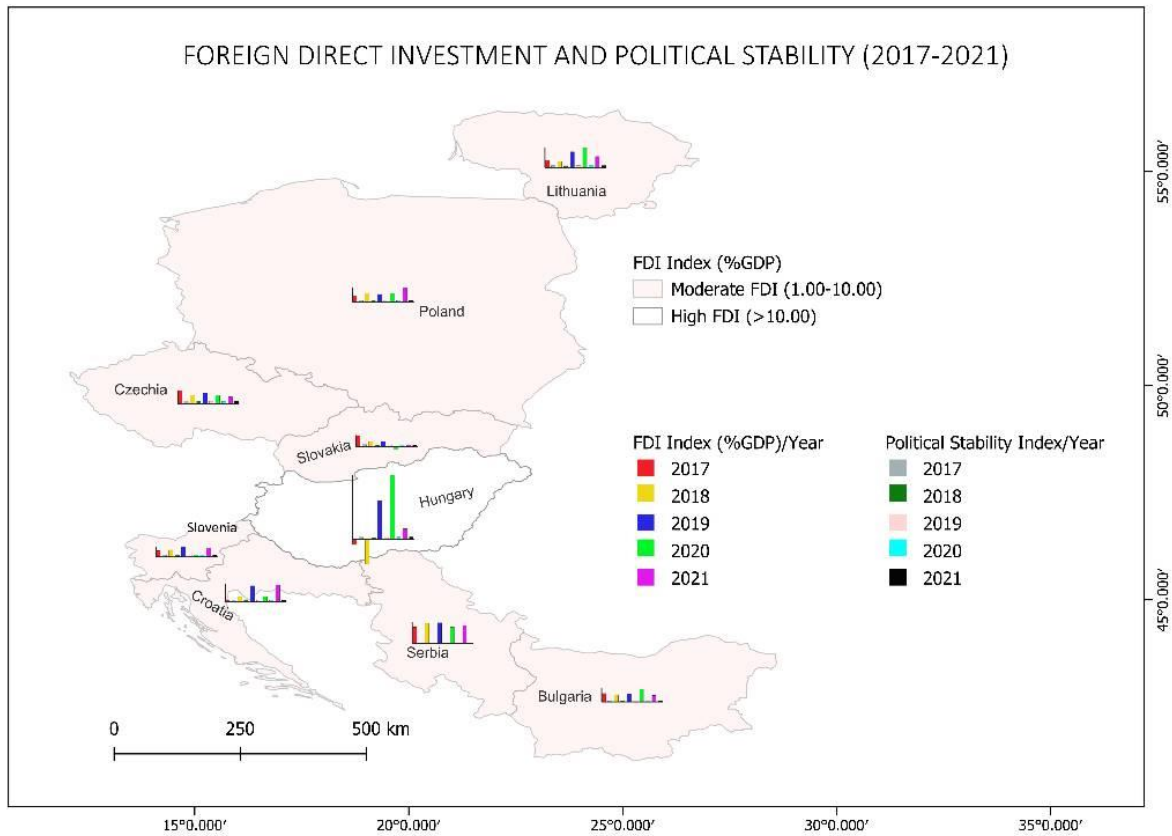
The figure above was visualized to determine if there is a direct influence between GDP per capita and government effectiveness index. It can be seen that, changes in the value for government effectiveness has minimal influence of the change in value for GDP per capita.



Source: Authors own visualization

Figure 4.7.3 visualization of Political Stability and Government Effectiveness

The figure above was visualized to determine if there is a direct influence between Political stability and government. As seen above, it can be determined that there is a direct influence in government effectiveness index and political stability.



Source: Authors own visualization

Figure 4.7.4 visualization of Political Stability and FDI index

The figure above was visualized to determine if there is a direct influence between Political and FDI index. Avetisyan, 2020; her study found out that, political stability has a positive impact on FDI inflows in Eurasian Economic Region and visualizing the relationship between FDI and Political stability, it can be observed that there is a positive influence in the political stability score and FDI inflows in the countries.

4.8 Regression Analysis on the relationship between GDP per capita and Political Stability Using the R Squared method for Selected countries

Economists all across the world use a variety of measures to gauge the success of a nation and economic development. The GDP per capita is one such indicator. The monetary worth of the finished goods and services produced by a nation over a given time period is known as its GDP, or gross domestic product. Larger, more populous nations typically have greater GDPs. We can

calculate a country's GDP per capita by dividing the GDP by the total population in order to offset this bias toward high population.

Economists view instability in politics as a major ailment that harms economic growth. Political unrest will probably to make policymakers' time horizons shorter, which will result in less desirable macroeconomic policies. Additionally, it might result in more frequent policy changes, which would increase volatility and harm the macroeconomic outlook. It is astonishing how widespread political instability is throughout nations and time given its negative effects on economic success.

In a regression model, R-Squared (also known as R^2 or the coefficient of determination) is a statistical metric that quantifies how much of the variation in the dependent variable can be accounted for by the independent variable. R-squared, or the "goodness of fit," measures how well the data match the regression model.

Delving into the relationship between GDP per capita growth and political stability has always had somewhat of an effect as investors and other stake holders always looks at an environment that is conducive and has less capital flight due to the political climate of the country or region. Establishing the relationship between these two is to ascertain amongst the countries selected for the study if there is a strong relationship, weak relationship or no relationship at all with the countries in question using the data from the years in question.

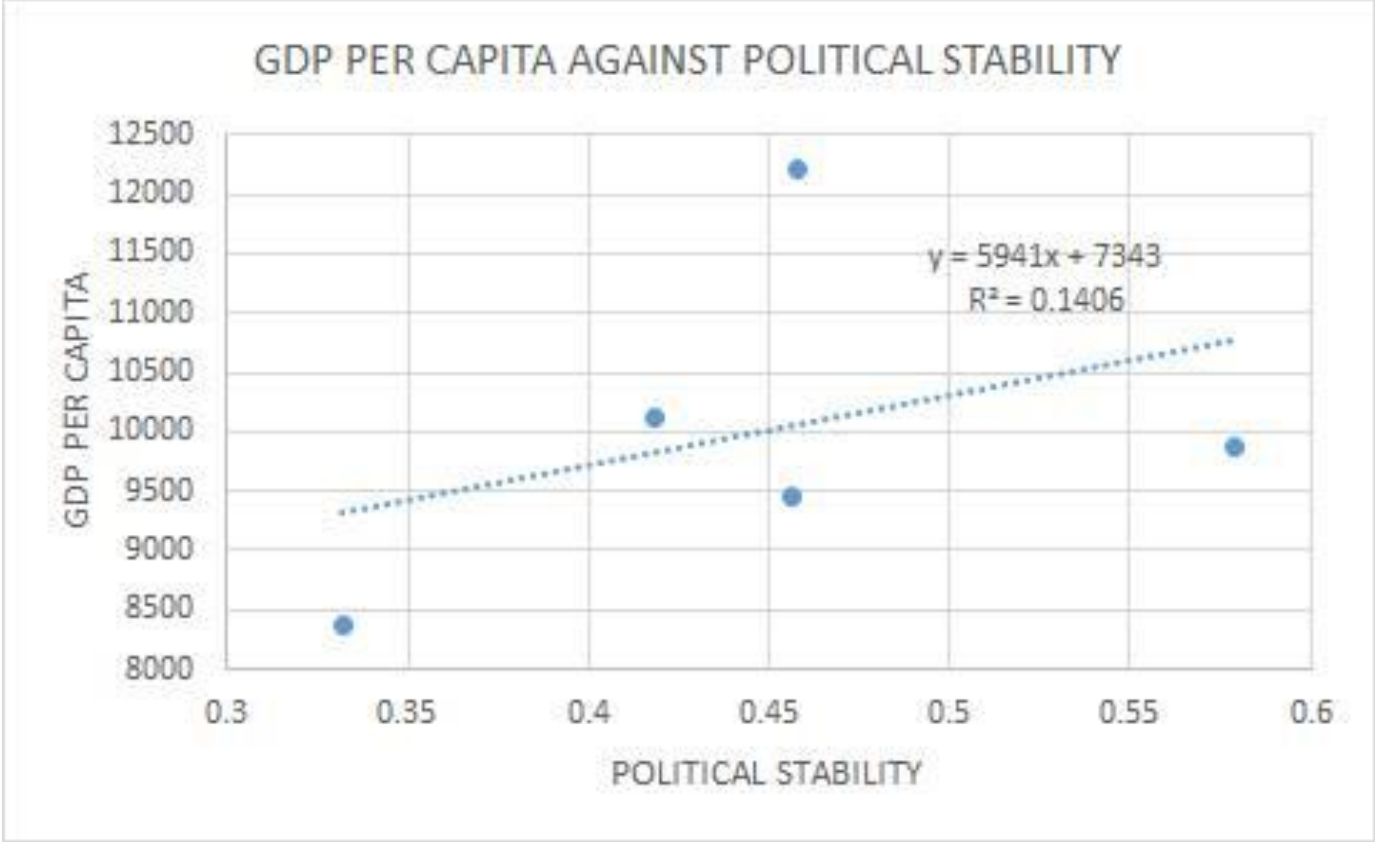
To start with, **Bulgaria** over the years has been considered a country in the middle income country in the subregion and sometimes plagued with political instability over the years and to take into consideration the years chosen for the time frame for the study, Bulgaria has seen a more frequent and disputed elections especially most recently in 2021 when they held three (3) elections in April, July, and November which gives the political climate as a volatile one as cabinet changes has a huge influence in major policy instruments that drives the countries governance and economic indicators.

From the table 4.2 which states the political stability index clearly shows the score which is relatively fair as these political situations didn't directly lead to violence as most civil protest were done in the form of peaceful demonstration devoid of major clashes. Also in table 4.1, it showed corresponding figures for the GDP per capita for the years and as stated earlier, Bulgaria been a middle-income country showed steady growth from year to year even though not so

significant but it can be deduced that the political climate been a bit stable could have an effect on the pace of GDP growth which affect the GDP per capita of the country.

Underpinning this to GDP per capita growth can be seen in the economic impact it has on the country as a whole because it indirectly or directly affected investor confidence and inadvertently affecting the GDP growth which directly has a toll on GDP per capita. Below is a graph showing a regression analysis of the relationship between Political stability which is shown on the x axis and GDP per capita also on the y axis. As can be seen in the scatter plot and the ascendancy of the regression line, we can see that there is a positive relationship between Political stability score and GDP per capita growth over the years.

Figure 4.8.1. Shows regression on GDP per capita and Political stability for Bulgaria



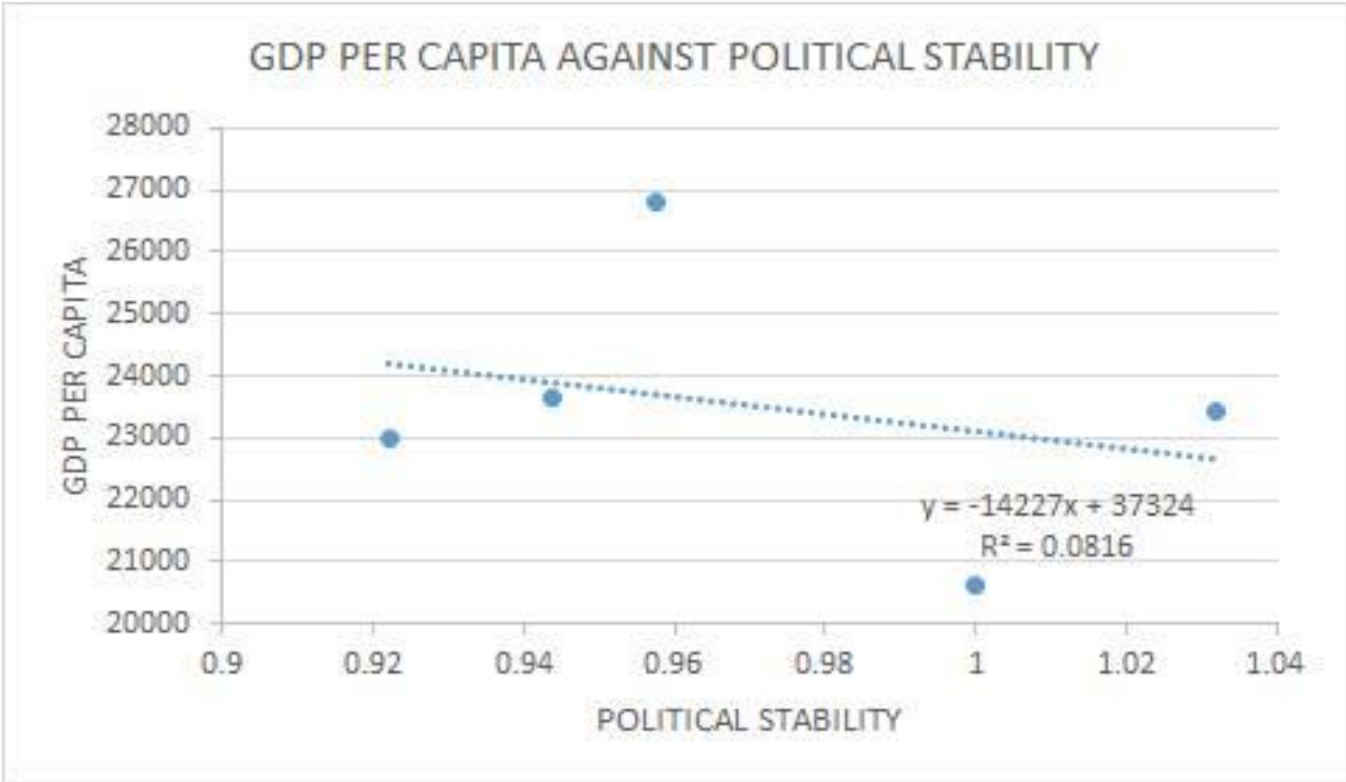
Source: Authors own calculation using data from EUROSTAT

Czech Republic has amongst all the countries has shown considerable growth and stability both in GDP per capita and Political stability and this can be attributed to its continuous democratic dispensation and also strong economic ties with the European Union which has aided largely as a form of checks and balance on the governance of the country. Despite its membership in the EU

which has a huge influence, the political climate in the country can be largely attributed to the tolerance various political actors accord to each other. There has been relatively peaceful transition of governments over the years devoid of any violence and this has an impact in the confidence investors has in the general stability in the country with regards to policies that supports and promotes investors to invest in the country with less worry of losing their investment due to bad policy directions and also abrupt changes in market conditions which hugely affects in their decision to invest in a country.

With the confidence garnered by investors to do business in the country, it has a trickle-down effect on the general growth in terms of the GDP which has a direct impact on the GDP per capita of the whole country. As seen in table 4.1 and 4.2, the values for GDP per capita and political stability, there has been a corresponding growth on both GDP per capita and increase in political stability score over the years.

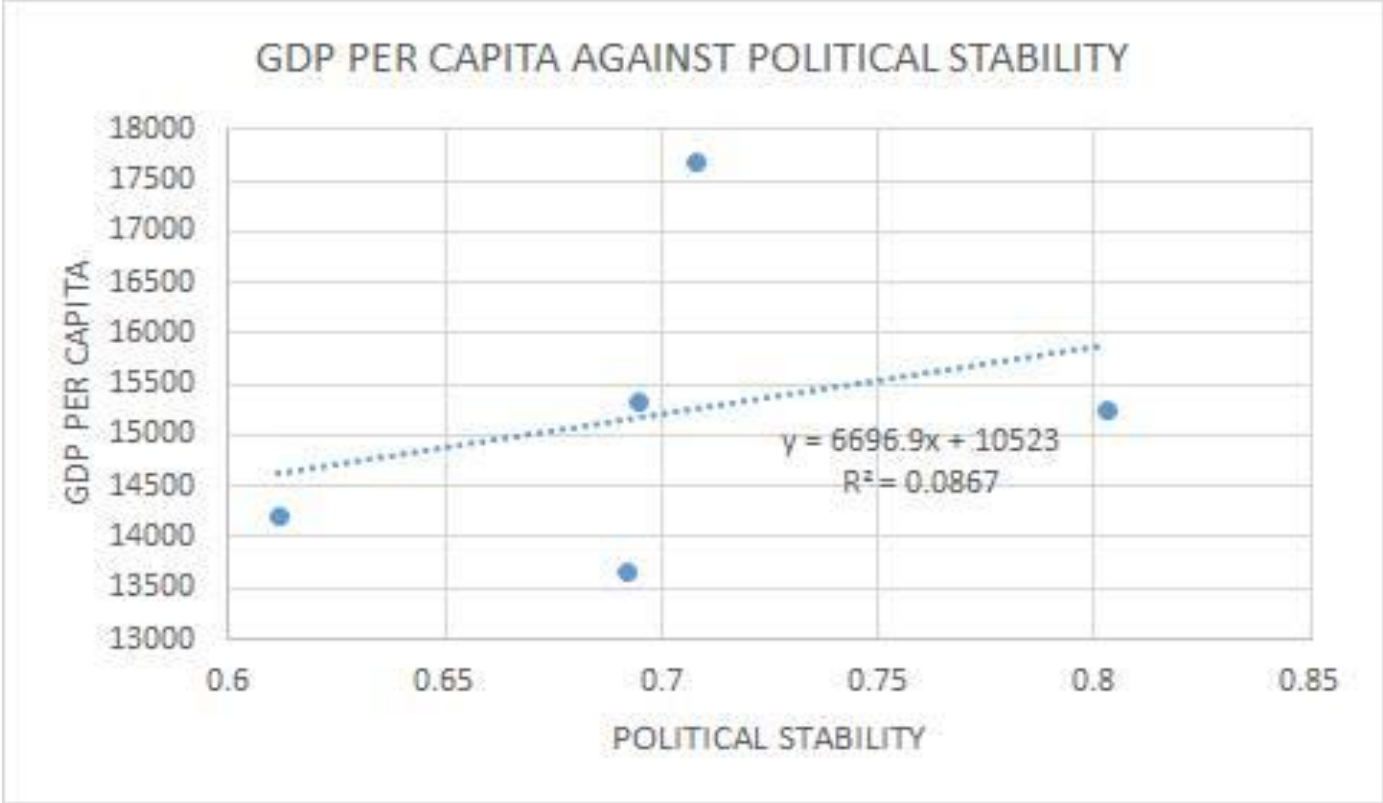
Figure 4.8.2. Shows regression on GDP per capita and Political stability for Czech Republic



Source: Authors own calculation using data from EUROSTAT

Croatia been the other country to be analyzed with regards to the influence of political stability to GDP per capita growth as can be seen in the table 4.2 figures for political stability been moderately on a high as compared to other countries has seen a considerable increase in the country’s GDP per capita. Croatia who recently just joined the EU has clocked many successes in terms of GDP growth and a considerably calm political climate which reflects in the countries ability to attract investment as seen also in the in the FDI inflows over the years. The hospitality industry has a seen a considerable boost as investors and tourist see it as a destination for tourist activities in the region as the country is seen as a stable country. A regression analysis on the relationship between political stability and GDP per capita can be seen as one that has a positive relationship as can be seen in the regression line. Below is the scatter plot chat of the GDP per capita as against the political stability over the years.

Figure 4.8.3. Shows regression on GDP per capita and Political stability for Croatia

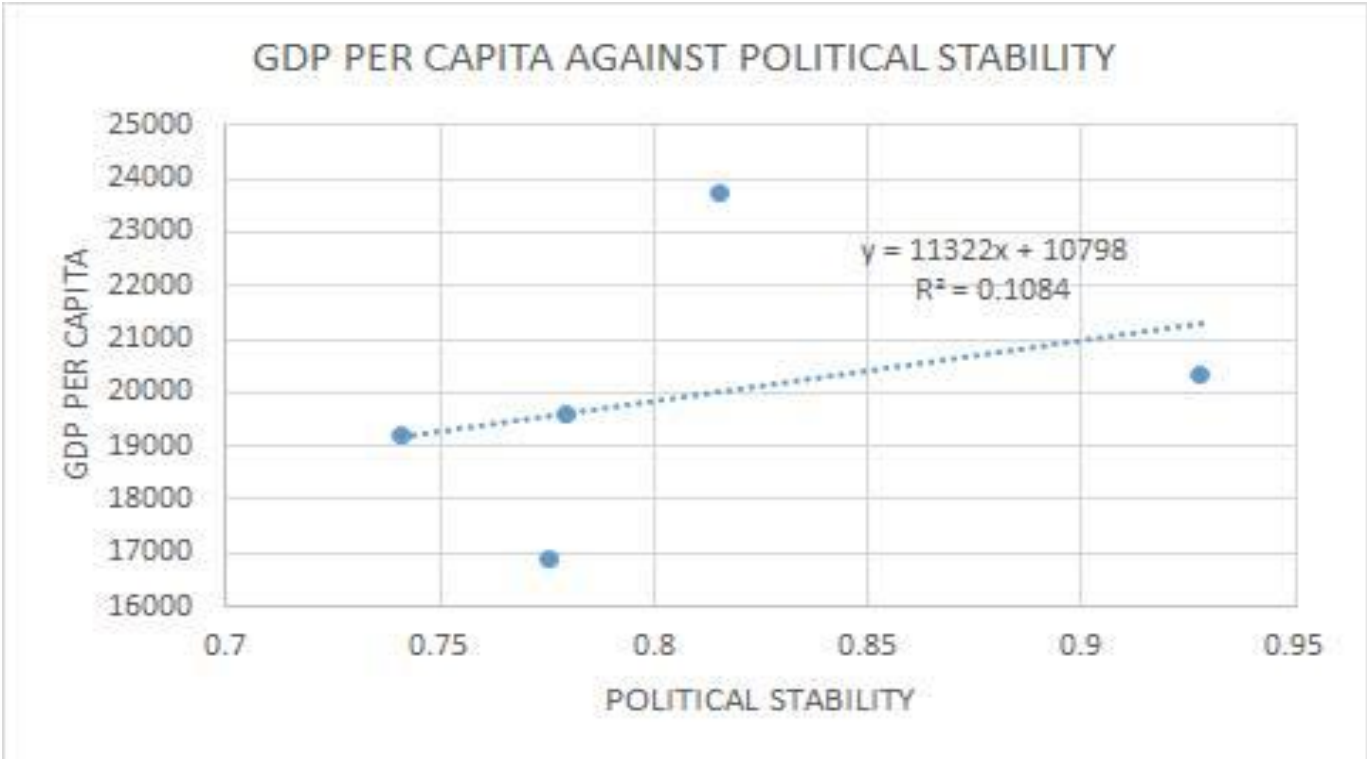


Source: Authors own calculation using data from EUROSTAT

Lithuania as a country has been one of the best performing countries in terms of all the parameters been evaluated. It has seen a lot of improvement in governance, economy and social

advancement over the years. Even though having a close proximity to Belarus and its main ally in Russia, the political climate of Lithuania has been that of a stable one with less political interference unlike other bordering countries to Russia. Despite its positive outlook on political stability and its GDP per capita growth, some niggling issues like poverty, corruption, income disparity and also high taxation regime on its populace has been a social issue confronting the country. Besides of these challenges, Lithuania has been considerably increasing in its political score and also its GDP per capita has been on ascendency taking the years of study into consideration. From the regression line as shown below, we can see a positive relationship between the increase in political stability score and an exponential increase in the GDP per capita over the years.

Figure 4.8.4. Shows regression on GDP per capita and Political stability for Lithuania



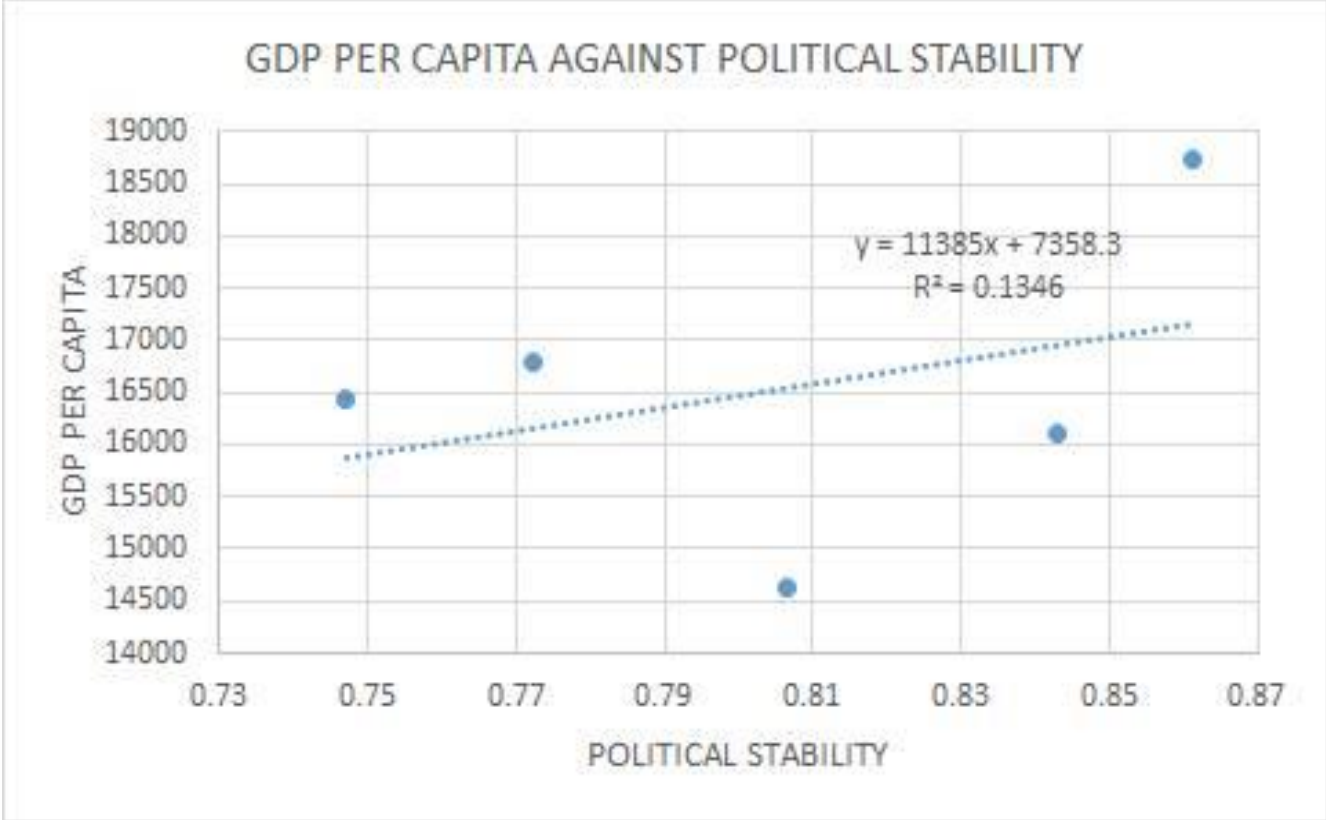
Source: Authors own calculation using data from EUROSTAT

Hungary has been a country that has enjoyed a relative stable political climate over the years, enjoying free election and freedom of speech. Even though quite recently the European parliament has claimed that Hungary cannot be considered a full democracy because of its policies that contradicts on major European Values and its attack on independent media and the

minority in the society, the country has considerably shown growth in both GDP per capita and also its political stability score. As can be seen in the tables 4.1 and 4.2, there has been an increase in both parameters over the years despite all the aforementioned challenges.

From the regression line deduced using the values for both the political stability and GDP per capita, it can be seen that there is a positive relationship between both variables and that political stability in the absence clearly has a toll on the GDP growth on the country which directly reflects on the GDP per capita values.

Figure 4.8.5. Shows regression on GDP per capita and Political stability for Hungary

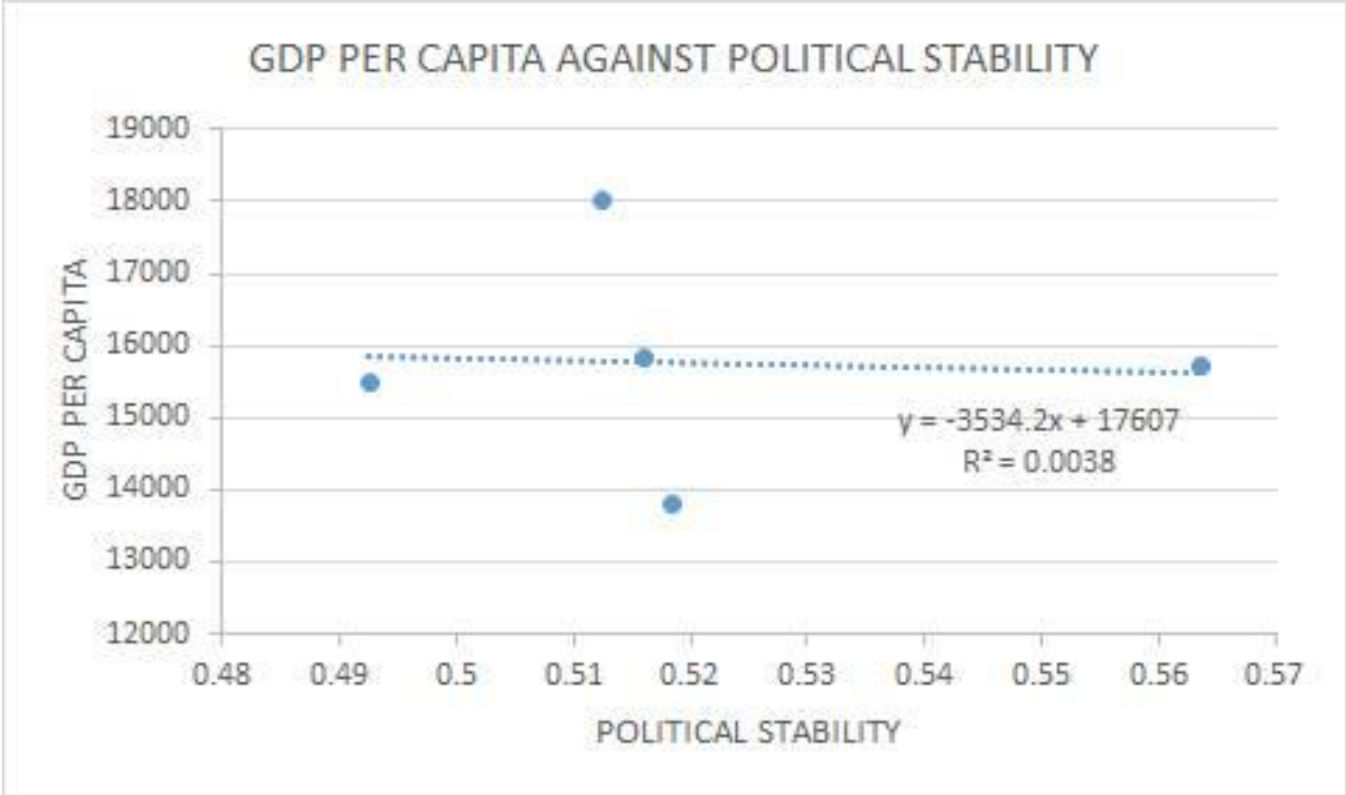


Source: Authors own calculation using data from EUROSTAT

Poland is considered one of the major players in the Central Eastern European block, but over the years they have been clouded with controversy popularly know as the Polish rule-of-law crisis which stems from the fact the governments over the years has failed to adhere constitution and European law in general. Despite this turmoil, the country has been able to keep the political climate relatively calm as the score for political stability index is seen as an average score amongst the countries been evaluated. This has somehow impacted the country’s economic

growth with regards to its GDP per capita year on year. As seen in tables 4.1 and 4.2, it can be seen that over the five-year period there has been stable but slow growth on both the political stability score and growth in GDP per capita values. Demonstrated on the regression line below which shows a relationship between political stability score and growth in GDP of the country can be determined to be neutral.

Figure 4.8.6. Shows regression on GDP per capita and Political stability for Poland

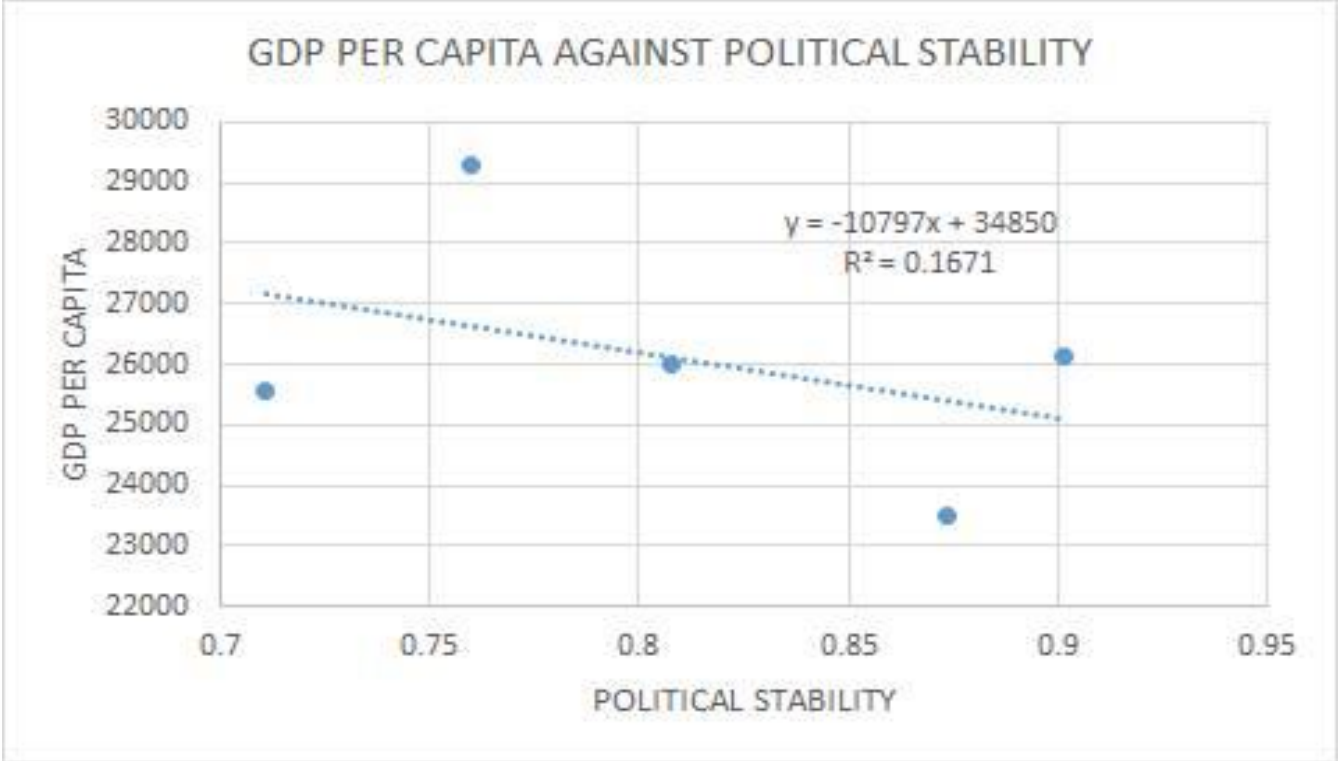


Source: Authors own calculation using data from EUROSTAT

Slovenia has established a stable, multi-party, democratic political system with regular elections, a free press, and a strong record on human rights over the years. Its political situation can be seen as one of the stable countries amongst the other countries in question. Referring to table 4.2, its political stability score has been seen as one that keeps improving up until 2020 and 2021 when it took a dip largely due to corruption related concerns emanating from the COVID-19 related expenses that led to series of protests but despite this, the political stability still was within an appreciable score. As can also be observed in table 4.1 where the GDP per capita values have been on a high ascendency over the years.

Making a regression line using scatter plot method of the political stability score and GDP per capita would show that there is a relationship between the two but not so greatly dependent on each other.

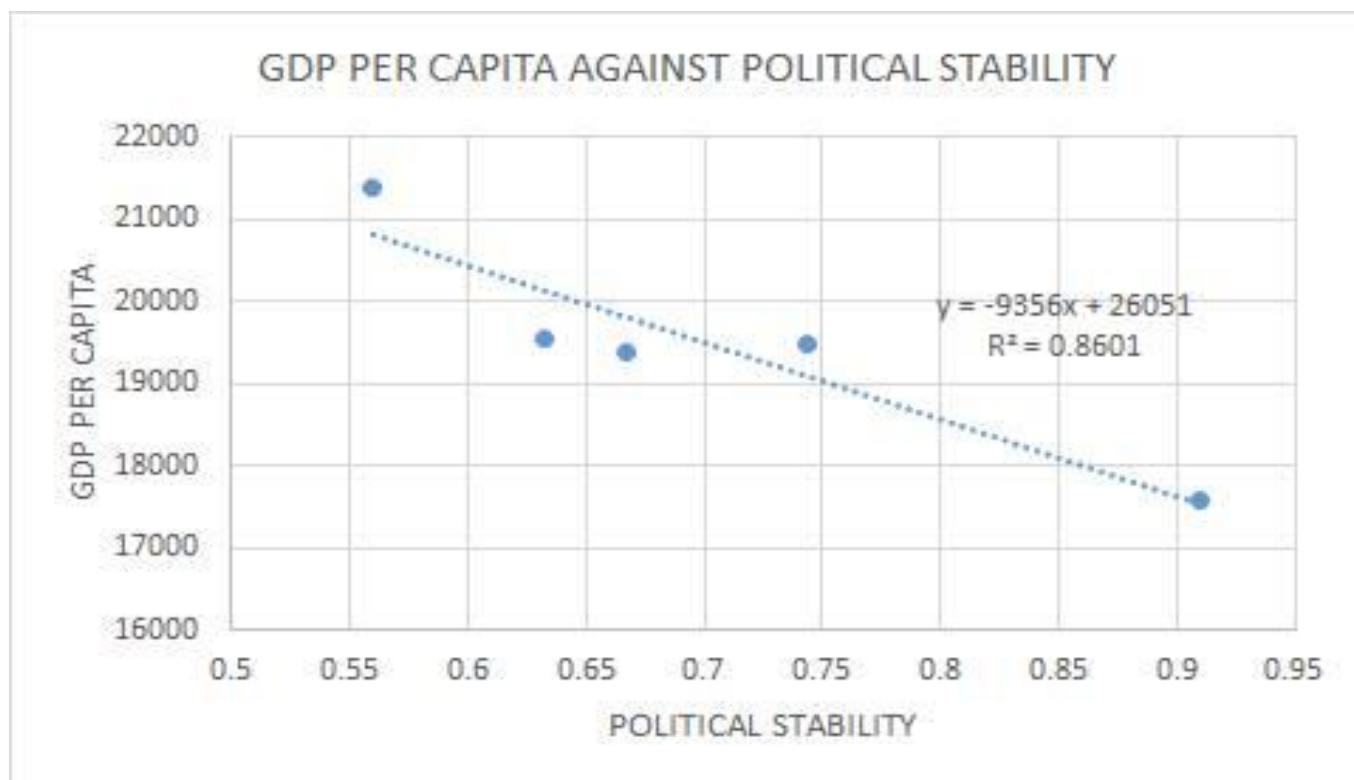
Figure 4.8.7. Shows regression on GDP per capita and Political stability for Slovenia



Source: Authors own calculation using data from EUROSTAT

Slovakia has also shown a strong growth over the years in terms of its political stability score and GDP per capita. The country has been rated as one which also has a stable political climate although political hatred toward immigrants and refugees is on the rise and political corruption still been an issue, which has immense influence on not just the GDP per capita growth but also how it also attracts both Investors and tourist. Considering the years in question, there has been a decline in the score from 2017 to 2017 even though still on an average as compared to the other countries, it still managed to stay in an appreciable position and as compared to its GDP per capita growth which has not seen a decline even though the political stability index took a dip. Using the values from table 4.1 and 4.2, a regression analysis was drawn in a scatter plot form to determine the relationship between political stability and GDP per capita which indicated a positive relationship between the two as shown in the figure below.

Figure 4.8.8. Shows regression on GDP per capita and Political stability for Slovakia

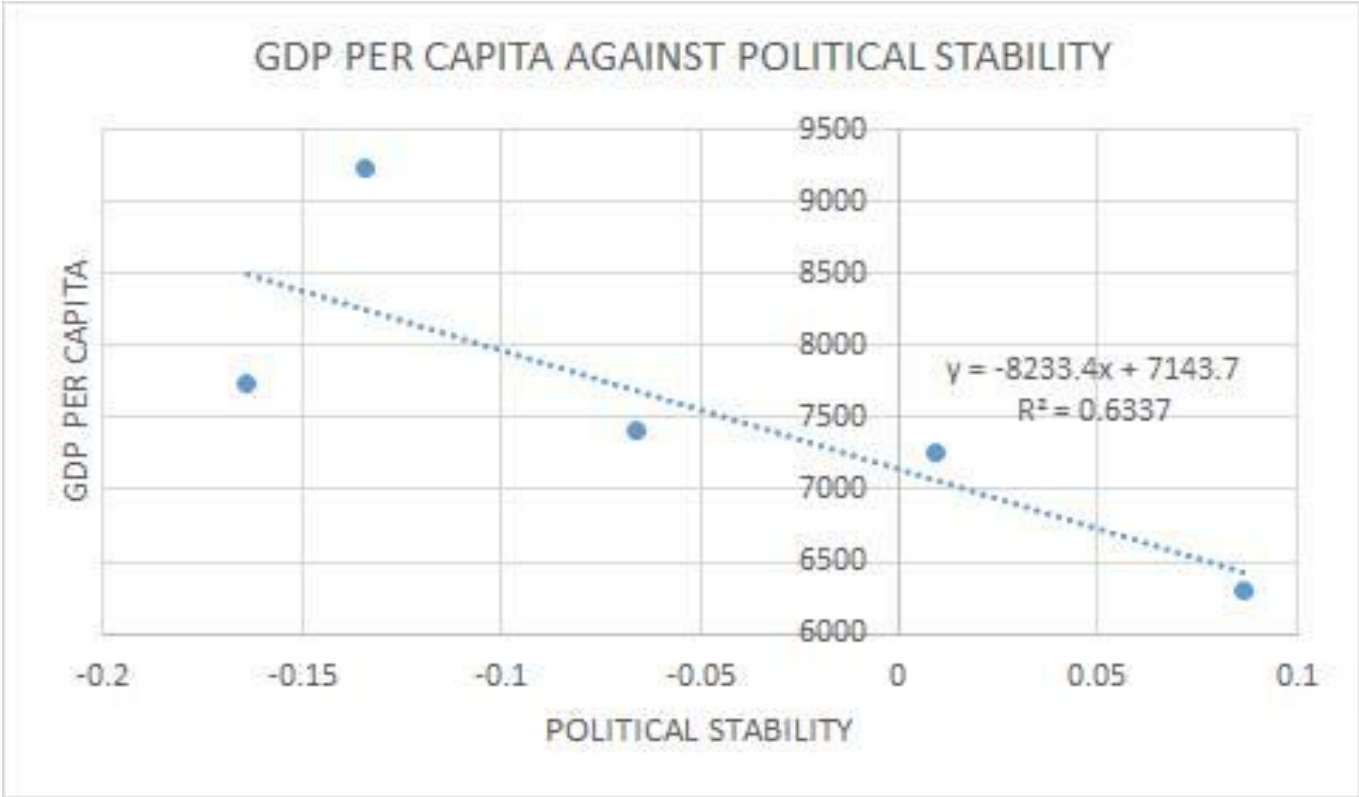


Source: Authors own calculation using data from EUROSTAT

Serbia been the last country to be analyzed and as we could see from its visualized maps how the outlook was seen to be performing the least amongst the rest of the countries on all the parameters. The country has been plagued with serious problems with the independence of the judiciary; serious restrictions on free expression and the press, including violence, threats of violence, and unjustified arrests and prosecutions against journalists; serious government corruption; lack of investigation into serious allegations against government institution and actors involved in these above mentioned issue hugely had a toll on the countries performance on its political stability index which can be seen in table 4.2 as it continued to decline in the years chosen for the study.

In refence to its impact on the growth of the GDP per capita, even though throughout the years there is an increase in the GDP per capita values it can be seen that the growth has been a marginal one and the country still considered as a middle-income country in the sub region despite its competitors has seen significant gains in both political stability score and corresponding GDP per capita growth. The table below shows a regression line depicting the relation between the two variables.

Figure 4.8.9. Shows regression on GDP per capita and Political stability for Serbia



Source: Authors own calculation using data from EUROSTAT

5. CONCLUSION AND RECOMMENDATIONS

This section of the research study focused on the conclusion and recommendations of the research study. Most importantly the need to provide the conclusion to encapsulate the key areas of the study as well as the objectives. Additionally, the recommendations for the research study are also provided to bring important suggestions in the context of the research study and also recommendations that fit into future studies.

5.1 Conclusion

The conclusion of the study was drawn on the results and findings from the analysis. This encompasses the summary of the findings into specific objectives of the research study. Additionally, the ability to provide synopsis based on the key areas of the research study within a specific period of time of the research.

FDI has a positive impact on country attractiveness to investments

Considering the impact of FDI as a percentage of GDP, there was an indication of the country's level of attractiveness increasing over time between 2017 to 2021. The study revealed that there are 2 countries; the Czech Republic and Slovakia had a higher percentage value on average with values of 6.5 – 7.4% of FDI to GDP per capita. The least of the countries with the inflows are Poland, Serbia, and Bulgaria with an average range of 1.4% - 2.8%. Within these findings, there were countries that had changes in the level of the impact on FDI to GDP per capita, thus, countries such as Lithuania, Croatia, and Slovakia. Thus, while, Hungary had a lower FDI to GDP per capita of -8.47 in 2017 and -40.08 in 2018, the country improved in 2019 – 2021 with improved FDI inflows. Probably, they might have put in strategies that sent a positive signal to the investment community about their improvements in the attractiveness of the investment. Also, there is the assertion that taking into consideration the size of GDP, a relatively small FDI might occupy a higher percentage of FDI to GDP, however, the ability of countries to improve on their FDI to GDP implies a positive growth trend.

Political stability has a positive impact on country attractiveness

Considering political stability as an indicator for country attractiveness average between the period of 2017 – 2021, Countries that demonstrated higher political stability were ascertained to be the Czech Republic and Slovenia, have demonstrated 2017, 2018, 2019, and 2021 with a higher political stability of 0.82 – 1. This showed their higher standard performance over a period of time. Whiles, countries with lower political stability were ascertained to be Serbia recorded a lower political stability index that ranged between 0.09 – -0.16. This was followed by Poland, and Bulgaria between 2017 – 2018 between 0.33 – 0.52. However, they showed a strong level of improvement in 2019 – 2021. However, Countries with higher political stability indicators were ascertained as the Czech Republic, Slovenia, Lithuania, and Hungary.

Countries that showed higher stability were the Czech Republic, Hungary, and Slovenia, at some point, Lithuania demonstrated higher political stability in 2019 – 2021. Their political stability was ascertained to be in the range of 0.74 – 0.94. The last of the countries on pollical stability was ascertained to be Serbia which recorded between -0.13 – 0.09 between the early period of 2017 – 2019.

Infrastructure for Broadband internet has a positive impact on country attractiveness

The findings from the study showed how countries have invested in their broadband internet access over the years between 2017 – 2021. Starting from the least of them, Poland and Serbia had a low infrastructure in broadband internet which was established to be 19.8% – 21.9% per 100 people. However, countries that have shown higher investment in infrastructure for broadband internet were ascertained to be Hungary and the Czech Republic on average they made much investment in such infrastructure which was recorded to be 28.1% – 30.2% per 100 people who have access to broadband internet service. Countries within the average range were identified to be Slovakia, Bulgaria, Slovenia, and Croatia which establish a level of average investment into broadband internet with a level of 23.4% – 29.4% per 100 people have access to broadband internet in their country. Overall, the majority of the countries selected for the study have to improve their infrastructure in broadband internet services since this is an indicator of country-level attractiveness.

GDP per capita Growth has a positive impact on country attractiveness

The findings on GDP did not have wide variance among the countries and across the period of 2017 – 2018. This means that countries grew marginally in their GDP per capita, irrespective of the higher and lower the size of GDP. The study revealed that countries with the highest GDP per capita were the Czech Republic, Slovenia, and Lithuania with values ranging from 16,885 USD – 29,291 USD showing the strength of their economies. This also goes to support the argument that the size of the GDP or economy can have much impact on the country's attractiveness. Also, Serbia recorded the least of the countries with its highest GDP per capita of 9,230 USD within the 5 years of the analysis. However, countries that were within the average have been ranked from high to low, thus, Poland, Slovakia, Hungary, Croatia, and Bulgaria recorded between 8,366 USD to 21,391 USD.

Government effectiveness has a positive impact on country attractiveness

Considering the issue of government effectiveness which is considered an important factor for a country to be categorized as more attractive or less attractive. The study revealed that on average the 5 years showed 3 countries had higher government effectiveness between 2017 – 2021, they were Slovenia, Czech Republic, and Lithuania, with the scores between 0.94 points to 1.16 points of government efficiency level. The least countries identified as having government efficiency were Serbia and Bulgaria with score of -0.01 points to 0.20 government effectiveness. On average, Slovakia and Poland were also considered to have good government effectiveness of 0.29 points to 0.69 points, and countries such as Hungary and Croatia which were found to be around the average level with scores of 0.46 points to 0.63 points of government effectiveness.

5.2 Recommendations

After the results and conclusion has been established. The recommendations were made based on the lapses and how to improve on the existing findings of the study and also the suggestions that are needed for further studies to expand knowledge and advance academic activities in the near future. Some of the recommendations that have been made are as follows.

5.2.1 Leadership and Economic Management

The leadership and economic management of Serbia and Bulgaria, have to improve on their performance or criteria for factors that posit their attractiveness level. This is important to

demonstrate improved attractiveness. In the long run, an improved attractiveness can have a significant impact on their investment inflows. They have to consider enhancing their government effectiveness, reducing corruption, and improving on rule of law.

5.2.2 Improvement in infrastructure

The government and administration of Poland and Serbia need to improve their infrastructure investment in broadband internet access. This ensures an improvement in their attractiveness level. Key to this factor, there is the need to improve on wide adoption and access point to broadband services. Most importantly, the need to heavily invest in infrastructure in various areas of the country is also very important.

5.2.3 Stakeholders' Decision Making

The study recommends that stakeholders and economic management leaders of the respective countries. First of all, the leadership of the countries can evaluate which areas of their economy need to be improved to attract higher investment. This is very important considering the need for economic growth and development. The need to improve the political stability of countries such as Serbia and Bulgaria. Considering the need for Lithuania to strengthen its government effectiveness.

Another recommendation goes for businesses and investors, they can use the findings of this study to make a sound investment decision and appropriately choose countries that have the highest level of attractiveness to help make the right investment decisions.

Countries such as Serbia, Bulgaria, and Hungary need to focus on stabilizing their government effectiveness and in most cases find ways to improve the performance of their governments to serve the right signals in order to attract investors.

5.2.4 Future studies

Future studies need to be conducted in other European countries, mostly Eastern and Western Europe to ascertain the impact of the selected variables on their country-level attractiveness. This is important to ascertain whether the findings of this study are similar or different from the other works. In this case, there will be the need to evaluate what attractiveness variables work well in other jurisdictions.

Additionally, there is a need for future studies to be conducted but with different variables. Thus, other studies can use inflation, interest rates, import and export parameters level of trade with other countries, this is to give a different perceptive on the variables that are ascertained to have an impact on country level attractiveness.

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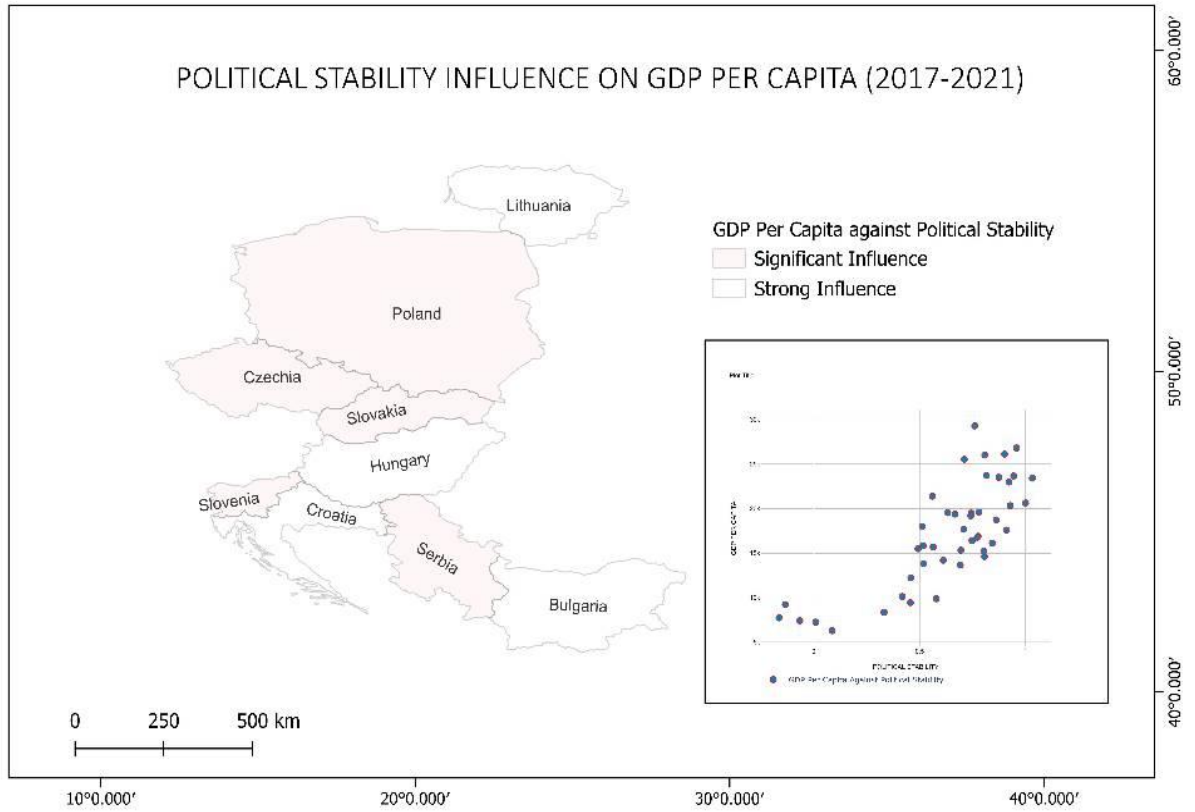
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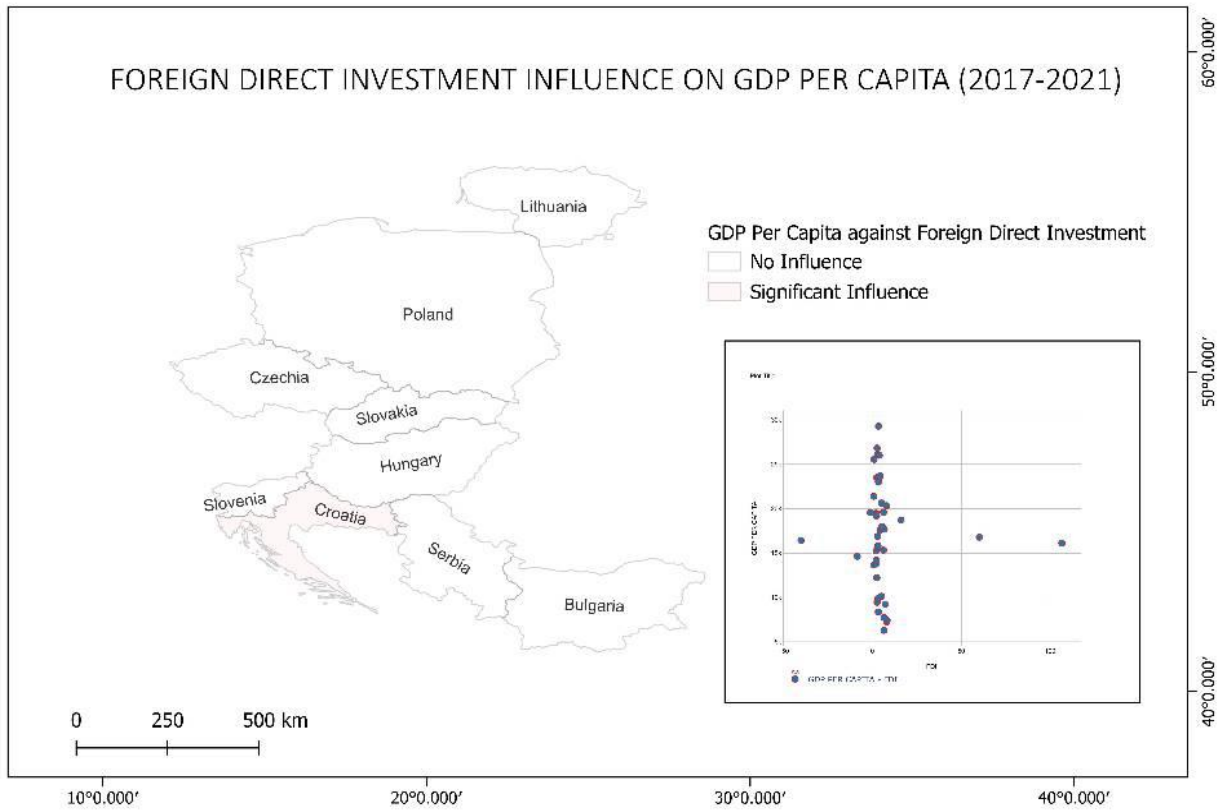
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APPENDIX

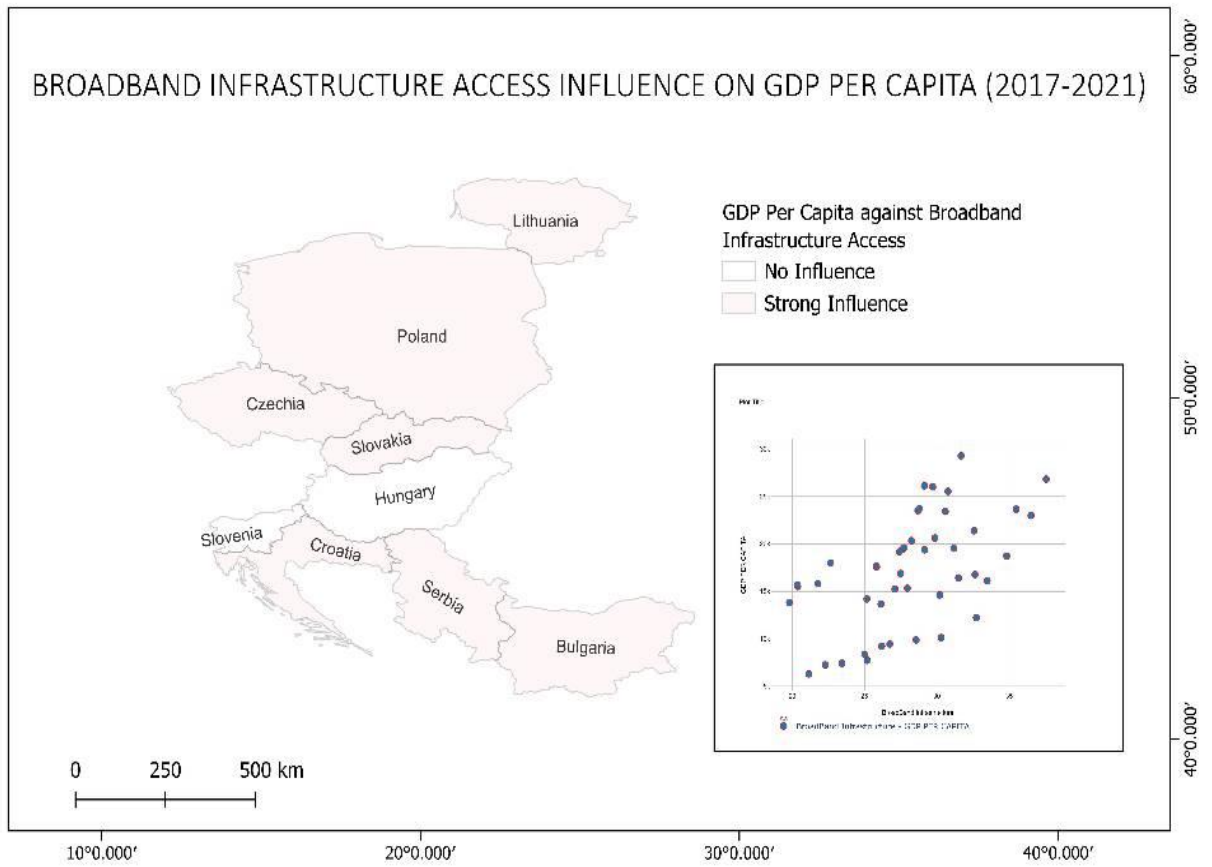
Appendix 1



Appendix 2



Appendix 3



List of Abbreviations

CB	Central Bank
CEE	Central and Eastern European
COVID 19	Coronavirus Disease 2019
CPI	Corruption Perception Index
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GIS	Geographic Information System
G7	The Group of Seven
G20	The Group of Twenty
HDI	Human Development Index
ICT	Information and Communications Technology
IMF	International Monetary Fund
OECD	Organization for Economic Co-operation and Development
PESTLE	Political, Economic, Social, Technological, Legal and Environmental
QGIS	Quantum Geographic Information System
UNCTAD	United Nations Conference on Trade and Development
WEF	World Economic Forum
WTO	World Trade Organization

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