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GLOBALISATION: PRIVATE SECTOR PERSPECTIVES

by

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1. *The problem and how it will be analysed*

The natural tendency of the industrial economy, and even more so, of the net economy is to seek wider outlet markets. Economic history confirms the constant drive towards the internationalisation of trade taking various forms: from the Greeks' desire to go beyond the Pillars of Hercules to the Roman conquest of new territory, from the Italian maritime republics to the discovery of the Americas, from colonial conquests to the most recent free trade agreements between nations, the most advanced of which gave birth to the WTO (World Trade Organisation) and, in a more limited sphere, to the EMEU (European Monetary and Economic Union). This drive does not only take the shape of world trade growth but also that of production delocation from industrialised countries to developing countries, and that of the net economy, that is, the ever-greater globalisation of choices taking place in the "virtual" on-line market.

More than just the modern interpretation of the drive innate to the market economy, globalisation is also a new form of capitalism, by which we mean that form of economic organisation tending to place capital accumulation at the top of the scale of social values[1]. Nor was it a chance decision to define this new phase as the *new economy* or *new economic paradigm*, which we believe describes this new situation more precisely, that is, a different form of economic and social organisation involving both politics and the world of business in a major redefinition of their traditional operating processes.

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[1] This is just one of the possible definitions of capitalism. For a more complete examination of the concept, see Paolo Savona, 1993 (Italian readers) and the entry "Capitalism" in the Oxford English Dictionary (English readers).

It involves politics by upsetting national sovereignties, which have lost an increasing part of their powers under the influence of international markets (at least that is the conventional theory), but above all because of the intrinsic nature of the instrument used. In fact, within the virtual supra-national planetary space created by the World Wide Web the difficulties in exercising sovereignty can only be overcome by means so powerful that only few nations possess them together with the expansion of alliances between nations, international policy coordination and the drawing-up of new rules for the global economic game[2].

It involves the business world because it requires extremely complex organisations, ever-higher skill levels, ever-greater capitals with an increasingly "world-wide" scope, as well as swift responses to the circumstances and high level of Intelligence; all these factors pose increasingly delicate problems for the democratic organisation of countries.

The aim of this study is to focus on the economic and political habitat created by globalisation and on the new and different involvement that it requires of the business world. In order to do so, we cannot avoid referring to the various forms taken by political commitment in the context of global competition as well as expressing dissatisfaction with the slower response of politics, with respect to that of the economy, to the changes in world production conditions and real and financial exchanges between countries.

2. *The "habitat" created by the net economy and by globalisation*

As we mentioned earlier, the net economy has given birth to a virtual market, giving it the logical form most popular among economists, that of a wide information network orienting behaviour. While the market still plays an important role in terms of physical space (the *agora*, or square), its role as provider of information or choice orienting data (relating to prices according to Walrasian economics or to quantities produced and required) is gradually losing ground and relevance.

The net economy causes choices to be made on a global level, a possibility that is an important factor in economic development processes. It leads to the intensification of trade between countries and the location of production in those countries which, for a series of historical motives, have had neither the strength nor occasion to activate it. The result is a widening of the supply creating its own demand, that is a revaluation, at least in part, of what economists call Say's Law.

This process took and still takes place under the incentive of developed countries, leading to some reactions on a social level, both at home where social groups accuse investors of acting to the detriment of the national labour force, as well as in the countries benefiting from their

[2] See Carlo Pelanda and Paolo Savona, 2001.

investments who accuse the developed countries of economic "imperialism" or "neo-colonialism"[3]. The fact that the economy only responds to a hedonistic impulse, originating in this case from the operators in developed countries, only confirms that famous principle that caused Adam Smith to remind us in his *Wealth of Nations* that we do not have to rely on the shopkeeper's unselfishness to have daily access to the goods we need, but on his selfishness. As early as the 17th century, the Dutch writer Bernard de Mandeville, and even before him, the Florentine Poggio Bracciolini, like many before and after them, argued that capitalism transforms private vices, or selfishness, into public virtues, that is, greater economic and social wellbeing[4].

The alternative to the growth model of developed countries and to the benefits that it generates in underdeveloped countries on the basis of a virtual market economy in a global habitat is, for the former, a return to Keynesian policies, and, for the latter, the resumption of development aid. In fact, these two policies shaped the world development model after World War II leading to production successes as well as welfare waste and electoral abuses in the industrial countries which led in turn to inflation and a drop in the growth rate, as well as causing resounding failures in the underdeveloped countries and, not infrequently, giving support to dictatorial regimes violating most civil rights. By this we do not wish to deny either the utility of Keynesian policies, as recently carried out by the Bush administration, or of aid to poor countries and to those wishing to participate in global trade, but Keynesian policies and development aid do not seem to be the most suitable tool for directing production systems towards widespread stable growth models. While globalisation, on the other hand, does seem to offer new and more profitable opportunities to countries who intend to respect the rules with respect to civil and trade freedom, absence (or modest presence) of State aid, democratic consensus.

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[3] Cf. Michael Hardt and Antonio Negri, 2000.

[4] These events have been narrated by many authors, but to our ends we would like to point out a witty description made by Lionel Robbins in his lectures published posthumously by Steven G. Medema and Warren J. Samuels under the title *A History of Economic Thought*, Princeton University Press, Princeton 1998 (the Italian edition, titled *La Misura del Mondo – Breve storia del pensiero economico*, was published by Ponte delle Grazie, Milan 2001).

3. Reflections on the development aid policy

Keynesian policies represent a useful supplement to spontaneous market trends in the event of their failure, for whatever reason, to function perfectly, as, for example, in the last world recession caused by the joint effect of excessive expectations of the new economy (the irrational exuberance of share prices) and the subsequent “wealth effect” on consumption.

Development aid is an instrument intended to resolve specific serious problems interfering with the raising of the level of civilisation and of material wellbeing of the peoples of this planet: famine, disease, natural disasters, illiteracy, basic infrastructures for economic development (water, energy, transport and telecommunications). The aid policy chosen by international organisations such as the World Bank and the International Monetary Fund has only partly fulfilled these aims, also because some of them were not originally foreseen among the tasks assigned to these organisations. Existing institutional constraints (the responsibility for the *status quo* lies with the national States) and bureaucratic resistance within the organisations themselves have meant that criticisms of the international institutions responsible for development aid programming, both by national authorities and by their own workers, have failed to lead to the necessary changes being implemented in their policies. The problem posed by aid policies is clearly explained by the World Bank: “recent cross-country evidence has shown that foreign aid has a strong, positive effect on a country's economic performance, if the country has undertaken certain policy and structural reforms. But the evidence also shows that countries with good policies receive less assistance than countries with poor or mediocre policies. The juxtaposition of these two findings has led to the assertion that "aid cannot buy reform" (*World Bank Aid and Reform in Africa*, Final Report, released 3-27-2001).

The only criticism that could be voiced with regard to this shareable diagnosis is that we need to limit the aims of development aid to the creation of living conditions reflecting the advances made by modern civilisation and of infrastructures in line with the spontaneous drives of the global market and not with the ambitions and constraints laid down by the local government groups. The two requirements often coincide: in some developing countries the toll taken by disease has reduced the average working life to 10 years. In these countries, the duration of the human capital, which represents the true value of the capital in the new economy, has a negative effect on the growth phase of work productivity, the phase when the individual has gained the greatest experience and skills.

The international organisations and G8 countries should place this problem at the top of their agenda. The great epidemics of the new century could make policies for aid to developing countries fruitless; the disappearance of an entire generation in many African and Asian countries results in a permanent break in the aid system and increases international tensions[5]. The development models of the economy allow for the existence of overlapping generation models[6] and the structural break caused by the AIDS epidemic makes these intergenerational growth models inapplicable.

In particular, the sustainability of the foreign indebtedness of highly indebted poor countries (HIPC) cannot be fulfilled if the subsequent generations who will have to repay the debt decline.

In formal terms, in order for indebtedness to be sustainable, the "No Ponzi Game Condition" must take place. That is:

$$g > r + b$$

where g = GDP growth rate; r = debt service; b = debt growth rate.

In other words, indebted countries have some chance of seeing their condition implemented if their economies grow faster than the debt they incur in order to sustain the growth.

The results of the calculation of the "No Ponzi Game Condition" for sub-Saharan Africa and south-east Asia using today's data are far from encouraging: it seems that even today these areas are failing to comply with conditions of stability and reliability (see table 1).

The weight of debt of developing countries is incompatible with growth and impedes further relief for these populations. International aid does not suffice to pay the debt service and short-term debt meaning that there are no prospects of blocking debt growth.

The "Debt Relief Proposal", widely sustained by non-governmental organisations, can be used to induce developing countries to introduce fair rules by linking the debt relief programme to regulated improvements to market conditions within the said countries. The debt relief programme can only provide a solution if it induces efficiency and local improvements, otherwise it merely represents a sop to the guilty conscience of developed countries.

Real future growth is threatened by the HIV-AIDS epidemic. Although the World Bank and the IMF study the "No Ponzi Game Condition" and other formal requirements before granting financing, they do not seem to have fully considered the impact that the generational break will have on the stability and growth of countries.

The most recent data, available at 2001, say that 28.1 million persons, equal to 70.25% of those sick worldwide, are located in sub-Saharan Africa, and that a further 15.25% is located in south-east Asia (6.1 million).

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[5] Cf. Reason Prevails, *The Economist*, April 27th 2002.

[6] Peter A. Diamond, 1965 and D. Romer, 1996.

The population growth condition in the models will be infringed in the next generation which will be unable to guarantee either the debt service or rollover. The estimated birth-rate in sub-Saharan Africa is 15.6 million persons (between 1999 and 2000), 800,000 of whom contract the HIV virus at birth (nearly 6%), and that for south-east Asia is 100 million persons (between 1999 and 2000) 3.4 million of whom contract the virus at birth (3.4%)[7]. The epidemic growth rate is extremely high[8] and still mainly affects newborns and the working-age population. The globalisation process could therefore come to a standstill in these two areas of the world.

The capital accumulation process (private and public) could slow down due to the increase of current health expenditure and the reduction in the schooling rate of a part of the population (mainly women and the young, see *Unaids*, 2002).

According to the most recent World Bank research about globalisation many countries in these areas belong to the "globalised" country category. In fact, the World Bank states that the degree of globalisation of a country is produced by the increase in foreign trade and the reduction of import/export tariff rates (see table 2). Although the increase in the degree of globalisation should lead to a growth in the economy, this direct link does not always take place because of the debt constraint and cost slowing down growth[9], not considered in the "official" indicators of globalisation.

The data shows that since the beginning of the epidemic, joined, in the Asian countries, by the aftermath of the crisis that affected the area after 1997, the capital accumulation process has undergone a slowdown (see table 3). Aid to developing countries has fallen from 42 billion dollars in 1999 to 38 billion in 2001. This negative trend provides further confirmation of the limited effects of the application of an aid policy where the rules of the game are neither homogeneous nor fair. The decline in the amount of aid given combines with the reduction of the GDP growth rate to slow down the capital accumulation process. The decision to modify aid policies must be analysed together with trade and industrial agreements, at World Trade Organisation level, intended to increase the degree of globalisation and therefore to lead to growth using a different formula from the simple Keynesian one.

The globalisation phenomenon may have modified the transmission mechanism, rendering the trade-growth link less immediate, given the impact on affluence of other variables like debts, social and political

[7] Source: World Development Indicators Database, World Bank, April 2002.

[8] See *Unaids*, 2002 for a wider analysis of the phenomenon, available at http://www.unaids.org/worldaidsday/2001/Epiupdate2001/Epiupdate2001_en.pdf

[9] In fact, Asian and African countries that have lowered tariffs and increased foreign trade have experienced extremely low growth rates and declining trends during the last five-year period.

stability[10] and the growth of the working population. However, any investigation of the mechanism responsible for growth requires a reflection on the endogenous and exogenous factors determining it. In the next section we will examine how the spontaneous drives of the global market work.

4. *The effect of the global market on costs of production factors and on the prices of goods and services*

The net economy introduces into social systems extremely strong incentives for the levelling - other conditions being equal - of the costs of production factors and the prices of goods and services. The problem lies not so much in the incentives, which are undoubtedly strong enough to induce levelling, but in the equal conditions, which are very difficult to create. However, these incentives also concern institutional diversity in the labour, capital, and goods and services markets and take the shape of processes from the business community for equal operating conditions, an absence of which leads to the delocation of investments to areas where these conditions are more "favourable" in financial terms and more "profitable" in real terms.

And it is here that the globalisation process becomes incoherent, fuelling the accusations mentioned above. In fact, in developed countries the business community is applying increasing pressure to reduce social guarantees and labour costs and weaken capital constraints due to the existence of countries where these guarantees and constraints are absent, while the guarantees and constraints existing in developed countries cannot be introduced in underdeveloped countries in order to benefit of foreign investments.

The levelling process mentioned above does not merely affect factor costs and product prices but also requires the implementation of a framework of minimum regulations which has raised the level of civilisation in democratic countries and has pushed the communist regimes to be overthrown. The reduction of social guarantees and capital constraints in developed countries coupled with the failure to introduce them to underdeveloped countries would not benefit the consensus that global capitalism process requires. Some aspects of this wider social question have been considered in WTO negotiations for the liberalisation of trade: for example, constraints upon the use of under-age labour. We naturally ask ourselves why children should be protected, but not the elderly, or why welfare should be covered by development aid and not by the introduction of minimum clauses in the labour contracts drawn up in all countries wishing to participate in world trade?

[10] Cf. Pelanda Carlo and Paolo Savona, 2001 for an analysis of the power vacuum that has a negative impact on growth.

The same can be said for the investor protection rules. They have been introduced in developed countries but are insufficient in the developing ones[11]. Financial instability is reflected in real instability creating a stumbling block for development. Financial globalisation tends to magnify the negative effects of this phenomenon affecting the scope and duration of the crises being experienced by developing countries. The fall in capital accumulation in some areas of the world could lead to an increase in the degree of dependence on foreign capital in developing countries. The introduction of regulations would protect foreign investors, therefore representing an incentive, as well as a guarantee, for growth.

Another pivotal area of globalisation from a private point of view lies in the free competition regulations in the goods and services market. The rules of the game for the global market introduced by the WTO, and recently undersigned by China, should lead to homogeneity in world trade exchanges, whose widely differing basic production conditions will inevitably affect prices and costs.

The market of production factor follows the minimum price rule and tends to move the geographical production base according to this rule. The creation of industrial districts, based on the Italian model, where the production process is completed by means of cost synergies is a way to compensate to the minimum price rule.

The question of the effects of the globalisation process on the money market warrants a separate analysis. The strength of the US dollar is both the cause and effect of the integration and development process of the national economies. The birth of the euro has not had the slightest effect on the strength of the dollar as a reserve and benchmark currency for international exchanges. The dollarization of a number of countries, geographically distant from the United States, such as Hong Kong, is one of the effects of the high levels of economic exchanges. The existence of a universally accepted currency whose stability guarantees a common standard of calculation contributes to increasing the degree of integration, and therefore of globalisation.

It is difficult to provide an overview of the differences between country-systems at the level of social and political structure without first analysing the specific cases. Europe is now facing the challenge of the east European countries who offer better conditions for the labour and capital factor even in the presence of greater instability. The European countries, which suffer from highly rigid factor markets, are seeing their production plants migrate to less “rigid” lands such as Timisoara in Romania. The development of host countries also depends on the financing countries and

[11] An example of this was the absence of even the most basic precautionary and investor protection regulations in the Hong Kong futures market, which helped to increase speculation on the yen and on the Nikkei index during the 1997-1998 crisis.

on the controls that they will be capable of imposing to ensure that minimum guarantees are introduced for labour and capital. Competition between developing countries wishing to attract resources helps to increase cases of social dumping and makes it difficult for acceptable minimum guarantees to gain ground[12].

The negative socio-economic fallout of the anti-globalisation protest that has sprung up in the G-8 countries in recent years results from financers being forced to justify investment choices to third parties other than the entrepreneurial world and stakeholders, in order to avoid public upheavals. By now, multinationals have flooded the Internet with information sites upholding their investments and ethical behavioural codes[13].

The political-social origins of the no-global movement lie in the protest movements of the entire planet: from Zapatistas, to Communist-Leninists, passing via the theorists of anarchy and chaos. Such a wide protest front is hard to manage and is more typical of developed than developing countries, while causing greater damage to the latter than to the former.

The speed with which the no-global movement rallied around a common cause is symptomatic of the slowness of the global integration and political dialogue processes. The economy and the protest against it travel at extremely high speeds, while politics loses itself in the twists and turns of rhetoric, struggling to keep up with the evolution of the civil society[14].

5. A cause of slow growth

Using reverse causation we can observe that the link between international trade and growth, as considered by the World Bank when defining globalised countries, is a little imprecise. When globalised countries try to export goods (and services) to rich countries they encounter a major obstacle: protectionism. “Rich countries spend almost a billion dollars a day on domestic farm subsidies” (The Economist, June 1st 2002, page 74). This makes it impossible for developing countries to fight on equal terms on trade markets.

International organisations pay attention to the domestic production of developing countries and how to improve it, but trade is a game for two players: buyer and seller. If the (rich) buyer is not willing to face the free

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[12] Cf. Naomi Klein, 2001 and http://www.portalinus.it/redazione/nologo/nologo_capitoli.asp for the second edition, 2002 (for Italian readers).

[13] An example is Nike’s first Corporate Responsibility Report available at http://www.nikebiz.com/reporting/index.shtml

[14] Just consider that the main financers of WWF, Greenpeace and other environmentalist organisations are the world oil companies.

market, the (poor) seller has no way of winning or of even attempting to fight.

The counter-argument used by rich countries in reply is that protectionism (oligopoly) is the market structure that is capable of keeping social and economic order at home. Although this holds true both for Europe and the USA, and for Japan, in particular, given its closeness to American and European imports, this argument is no longer sustainable[15].

The failure of important industrial firms (e.g. Enron) and its consequences are a strong signal that even the most "liberalised" country needs certain rules which are not compatible with domestic oligopoly[16] (in accounting or energy or anywhere else).

The third route to growth for developed and developing countries is to give up economic nationalism and introduce new homogeneous rules for all. The military power of rich countries represents a major stumbling block (the Berlin Wall) to our proposal and will probably make its implementation impossible[17]; but as long as we remain economists, and not politicians, we will provide formulas.

The positive effects of lowering American, European and Japanese import tariffs could be twofold: a reduction in expenditure for domestic households (lowering taxes and prices of goods) and the chance for developing countries to increase their production at home.

The farm industry of developed countries would not be destroyed by international competition because it has the means to improve quality and productivity, being a mature industry with all the necessary technologies.

However, it can only come about if homogeneous rules are established by means of co-operation, which is not the same as exporting the regulations of rich countries into poor countries.

The private sector would become far wealthier overall by letting developing countries grow without a simple Keynesian recipe. The first step toward this process, which we believe to be a rather long one, is to create stability worldwide. As we said before, financial markets need regulation to be safe, liquid and efficient, labour market has to be equal worldwide, and trade should be fair to bring about growth. These three conditions go together with stability and regulated market conditions, but have to be established by all market players (both strong and weak), in other words, according to a new concept of co-operation.

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[15] An example of the effects of farming protectionism is the increase in prices of fresh vegetables experienced by European countries during winter 2001-spring 2002, which has caused an increase in inflation.

[16] The heaviest consequences of the Enron failure has been paid by its employees who have no pension fund left, as it was invested in Enron shares, and by the stock market investors in US.

[17] The WTO agreements do not avoid international protectionism by replying to local dumping with international tariffs increase, rather than imposing no local dumping.

The sovereignty of the business sectors of developed countries has to be justified by the respect of a common set of “supra-national” rules and not simply by the *status quo*.

6. A way out?

After examining various experiences and studies, this work has come to the conclusion that Keynesian policies can play a useful role in damping down the impact of recessionary cycles, but not in guiding the development of industrialised countries, or that of others.

This work also shares the idea that development aid policies for developing countries are justified where their effects have been limited to specific sectors, such as the fight against disease and illiteracy and the creation of basic infrastructures, while the use made of aid by local government groups has had a negative impact with regard to civil rights.

Globalisation seems to provide a successful alternative model to Keynesian policies and to development aid, provided the various countries accept its implications and provided that some of its effects, such as incoherent regulations, monetary upset and social dumping, are brought under control. In fact, the countries involved should ensure freedom of movement for capital and goods, give up extra-territorial or domestic State aid (protectionism and various types of subsidy), enjoy monetary stability flowing in from abroad, avoid competing with each other by focusing on welfare differences and pay greater attention to civil rights.

The absence of political government, that is, the establishing of common regulations and closer cooperation, is responsible for the failure of globalisation to act as a mechanism for widespread and stable development, as the slowing-down of growth in developing countries demonstrates. Economic and political cooperation between countries would appear to be the first best solution to resolve the classic prisoner dilemma afflicting the countries of the world.

The private sector also has duties to carry out in the globalisation process, such as adapting its production and sales processes to the new technologies and cooperating with the authorities of host countries, mediating between private and collective interests instead of exploiting the conditions of social disadvantage afflicting the citizens of those countries. Despite frequent references to the ‘Invisible Hand’, that great economist, Adam Smith, identified cooperative competition, considered in terms of a contribution to reach the same objective (from the Latin *cumpetere*, “come together”), the ideal form for the affirmation of a positive capitalist evolution process, that is a form capable of showing that it is possible to transform private vices (hedonism) into public virtues (social development).

Finally, in order for globalisation to act as a development mechanism Keynesian policies should only be used to oppose recessions not due to market imperfections and development aid should be given for the reaching of important but limited objectives. Following these guidelines, the policy of national States would contribute to establishing common rules for the global economic game guaranteeing equal institutional conditions leading to investment choices that are not warped by protectionism, subsidies or major differences in welfare. This requires a greater will to increase the degree of international cooperation. As a counterbalance to this public action, which is also a form of collaboration for social wellbeing, private operators must ensure that their production processes continue to be cutting-edge and that the common rules of the game are respected, not just by refusing to find loopholes, but also working towards their constant improvement.

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TABLE 1

	Sub-Saharan Africa 1995	1998	1999	South-East Asia 1995	1998	1999
Total Debt Service (million dollars)	14800	14100	13600	13420	12332	12256
Short-term Debt Outstanding (million dollars)	40800	42600	41200	10300	7000	6000
Total Debt/GDP (%)	73.7	69	69.3	32.9	35.8	34.3
Aids per capita (dollars)	32.6	23	20.6	4.1	3.2	3.1
Population (million)	579.2	627.8	643.3	1300	1300	1400
Total Aids (dollar)	18881.92	14439.4	13251.98	4.1	3.2	3.1
GDP Growth (%)	4.1	2.3	2.4	6.5	6.4	4.2
GDP current prices (million $)	318000	321800	319600	512900	579500	596800
Aids-Debt Service	4081.92	339.4	-348.02	-13415.9	-12328.8	-12252.9
Aids-Debt Service-Short-term Debt	-36718.08	-42260.6	-41548.02	-23715.9	-19328.8	-18252.9
Inflation rate (%)	23.2	10.4	6.7	7.3	4	4.1
No Ponzi Game Condition (g-b-r)			-0.034884			-0.004572
Source: Banca d'Italia, OECD, World Bank and IMF						

Note: the No Ponzi Game Condition has been calculated between 1999 and 1998, since it is an inter-temporal constraint. Variables are defined as:

$g = (GDP_{(t)} - GDP_{(t-1)})/GDP_{(t-1)}$

$b = (\text{Total Debt}_{(t)} / GDP_{(t)} - \text{Total debt}_{(t-1)}/GDP_{(t-1)}) / (\text{Total Debt}_{(t-1)} / GDP_{(t-1)})$

$r = (\text{Total Debt Service}_{(t)} / GDP_{(t)} - \text{Total Debt Service}_{(t-1)} / GDP_{(t-1)}) / (\text{Total Debt Service}_{(t-1)} / GDP_{(t-1)})$

TABLE 2

Post-1980 Globalisers based on increases in trade volumes

Argentina, Bangladesh, Brazil, China, Colombia, Costa Rica, Dominican Rep., Haiti, Hungary, India, Ivory Coast, Jamaica, Jordan, Malaysia, Mali, Mexico, Nepal, Nicaragua, Paraguay, Philippines, Rwanda, Thailand, Uruguay and Zimbabwe.

Post-1980 Globalisers based on reductions in tariffs

Argentina, Bangladesh, Benin, Brazil, Burkina Faso, Cameroon, Central African Rep., China, Colombia, Dominican Rep., Ecuador, Egypt, Ethiopia, India, Indonesia, Kenya, Nicaragua, Pakistan, Peru, Thailand, Uganda, Uruguay, Venezuela and Zambia.

Source: Dollar and Kraay, 2002.

TABLE 3

AID PER CAPITA				
(US dollar)	*1996*	*1999*	*2000*	
Sub-Saharan Africa	27.8	20.6	20.4	
South-East Asia	4.1	3.2	3.1	
AID AS % OF GNI	*1994*	*1999*		
Sub-Saharan Africa	7.2	4.1		
South-East Asia	1.6	0.7		
GROSS CAPITAL FORMATION				
(% of GDP)	*1996*	*1999*	*2000*	
Sub-Saharan Africa	17.5	17.4	17.2	
South-East Asia	21.8	23	22.9	
EXPORT OF GOODS AND SERVICES				
(% GDP)	*1995*	*1998*	*1999*	
Sub-Saharan Africa	28.5	28.2	28.5	
South-East Asia	12.4	13.3	15.1	
IMPORT OF GOODS AND SERVICES				
(%GDP)	*1995*	*1998*	*1999*	
Sub-Saharan Africa	30.1	31.7	31.1	
South-East Asia	17.2	17	18.3	
NET OFFICIAL AID TO DEVELOPING COUNTRIES				
(Billion Dollars)	*1998*	*1999*	*2000*	*2001*
	40	42	40	38

Source: World Development Indicators and OECD