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The Emperor Has No Growth:

Declining Economic Growth Rates in the Era of Globalization

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Executive Summary

Globalization and the policies of its most powerful advocates, the International Monetary Fund and the World Bank, have come under increasing criticism in recent years. In the United States, the median real wage is about the same today as it was 27 years ago. This means that the majority of the labor force has failed to share in the gains from economic growth over the last 27 years. That is drastically different from the previous 27 years, during which the typical wage increased by about 80% in real terms.

Trade has doubled as a percentage of our economy since the early 1970s, and there is no doubt that globalization has played a significant role in the worsening distribution of income here.

However, throughout the growing debate, it has generally been assumed that globalization has helped spur economic growth throughout most of the world. Even critics of globalization, and of the IMF and World Bank, have generally accepted this assumption. They have argued that these institutions have focused too much on promoting growth and not enough on other goals such as alleviating poverty and protecting the environment.

The official data for the last two decades (1980-2000) tell a different story. Economic growth has slowed dramatically, especially in the less developed countries, as compared with the previous two decades (1960-1980). For example:

- From 1960-1980, output per person grew by an average, among countries, of 83%. For 1980-2000, the average growth of output per person was 33%.

- Mexico would have nearly twice as much income per person today if not for the growth slowdown of the last two decades; Brazil would have much more than twice its current per capita income.

- Eighty-nine countries – 77%, or more than three-fourths – saw their per capita rate of growth fall by at least five percentage points from the period (1960-1980) to the period (1980-2000). Only 14 countries – 13% – saw their per capita rate of growth rise by that much from (1960-1980) to (1980-2000).

- In Latin America, GDP per capita grew by 75% from 1960-1980, whereas from 1980-1998 it has risen only 6%. For sub-Saharan Africa, GDP per capita grew by 36% in the first period, while it has since *fallen* by 15%.

Even where high growth rates were achieved, as in Southeast Asia, they were still better in the earlier period. The only regional exception to this trend was East Asia, which grew faster from 1980 to 1998 than in the previous period. But this is due to the quadrupling of GDP, over the last two decades, in China (which has 83% of the population of East Asia).

In short, there is no region of the world that the Bank or Fund can point to as having succeeded through adopting the policies that they promote— or in many cases, impose— in borrowing countries. (They are understandably reluctant to claim credit for China, which maintains a non-convertible currency, state control over its banking system, and other major violations of IMF/Bank prescriptions).

If these facts were well known, the entire debate over globalization would change dramatically. The growth of output per person is not the only economic objective, nor is it necessarily the most important one in all circumstances. Nonetheless it is what allows a society to achieve a rising standard of living. For most people in the poorer countries of the world, economic growth offers the only hope that their children and grandchildren might escape from crushing poverty.

If globalization and other policies promoted by the IMF and the World Bank have not led to increased growth, it becomes extremely difficult to defend these policies. The costs of these changes— the destruction of industries and the dislocation of people, the harsh "austerity" medicine often demanded by these institutions and by international financial markets— become a burden to society without any clear countervailing benefit.

In just the last three years the IMF and its allied creditors have made serious policy errors that have undoubtedly reduced cumulative economic growth for hundreds of millions of people. In the Asian financial crisis, the Fund's drastically tight monetary policies (interest rates as high as 80% in Indonesia) and fiscal austerity deepened the recession and threw tens of millions of people into poverty. The Fund also helped create the crisis in the first place by encouraging the opening up of financial markets to large inflows of portfolio investment, which subsequently flowed out even more rapidly, causing the currency collapses and financial panics that threw the region into a downward spiral. In Russia and Brazil in 1998, the Fund's support for overvalued exchange rates that ultimately collapsed also caused economic damage. And the IMF's policies in the economies of the former Soviet Union have, over the last decade, contributed to one of the worst economic disasters in the history of the world— with Russia losing more than half of its national income.

The failure of the last two decades of globalization, structural adjustment, privatization, and "market fundamentalism" to raise living standards worldwide, and the dramatic decline in growth, especially in underdeveloped countries, should be cause for serious concern. The IMF and the World Bank should be using their enormous capacity for research to try to find out what has gone wrong. Most importantly, they should not pretend that they have the necessary expertise nor the answers to the difficult and often country-specific problems of economic growth and development, for it is clear that they do not. They could play a much more constructive role by helping to cancel the crushing, unpayable debt of the poorer countries and allowing each nation to choose its own path to economic growth and development.

Introduction

Has increasing globalization been good for growth? Have the policies advocated by the International Monetary Fund, the World Bank, and the US Treasury Department— often imposed by these institutions on low and middle-income countries— helped to stimulate economic growth? Almost all of the discussion of this subject has simply assumed this to be true. Even among those who have been critical of globalization and the most powerful institutions that promote it, the IMF and the World Bank, this belief goes largely unchallenged. However, as this paper will show, there is no support for this assumption in the official data. For the overwhelming majority of the world, especially in less developed countries, the last two decades of increasing globalization have seen a considerable slowing of economic growth.

If these facts were well known, the entire debate over globalization would change dramatically. The growth of output per person is not the only economic objective, nor is it necessarily the most important one in all circumstances. Nonetheless it is what allows a society to achieve a rising standard of living. For most people in the poorer countries of the world, economic growth offers the only hope that their children and grandchildren might escape from crushing poverty.

Of 176 countries for which the IMF published data in 1999, there were 54 — or 31% — which had a per capita GDP of less than two dollars per day. This means that the hundreds of millions of people in these countries would all be very poor— by an absolute measure — even if each nation's income were evenly divided among its population. Increasing economic growth is therefore an urgent priority for these countries.

If globalization and other policies promoted by the IMF and the World Bank have not led to increased growth, it becomes extremely difficult to defend these policies. The costs of these changes— the destruction of industries and the dislocation of people, the harsh “austerity” medicine often demanded by these institutions and by international financial markets— become a burden to society without any clear countervailing benefit.

Globalization has encountered rapidly increasing opposition in recent years. Even its most prominent advocates have now acknowledged the legitimacy of their opponents' concerns. At the World Trade Organization's Millenium Round last December, in Seattle, President Clinton noted that the protestors “represent millions of people who are now asking questions about whether this enterprise in fact will take us all where we want to go. We ought to welcome their questions and be prepared to give an answer.”

Labor unions in the United States and other developed countries have objected to the lowering of wages and working conditions, through competition from imports based on cheap (and sometimes violently repressed) labor. The increasing ability of domestic firms to move overseas to avoid union organization or wage increases has also put downward pressure on wages at home.[2]

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[2] Kate Bronfenbrenner, “Final Report: The Effects of Plant Closing or Threat of Plant Closing on the Right of Workers to Organize,” Cornell University Press, 1996.

Environmentalists have criticized the rewriting of global trade and investment rules, and the process of globalization for contributing to a "leveling downward" of environmental standards. Religious groups have lamented the weakening of social safety nets and effects on the poor, and advocates for underdeveloped countries have argued that the indiscriminate opening of markets to international competition prevents the implementation of any viable economic development strategy. And even some of the profession's most prominent pro-"free trade" economists have made an about-face on the question of liberalizing markets for international lending— recognizing that this has gone too far in recent years, and was one of the main causes of the Asian financial crisis.[3]

Yet most of the debate over globalization has been greatly constrained by certain myths, some of which are rarely questioned. Globalization is seen as an inevitable, technologically driven process. It is portrayed as a natural phenomenon, like the weather, to which we must adapt if we are to survive and prosper. We are told that we live in "a global economy," and that national governments are helpless to determine their own economic policies in a world of global markets.

As noted above, it is assumed that the globalization of recent decades has led to higher economic growth and has therefore made most people better off— although it is acknowledged that the process has some "winners and losers." And the most powerful globalizing institutions— the IMF and the World Bank— are assumed to be playing a stabilizing and constructive role, even if they sometimes make mistakes.

Some of these myths are completely false and are easily dispelled with a glance at the numbers; others require more background and information in order to make a fair evaluation. And some are based on a kernel of truth that has been exaggerated beyond recognition. This paper will take a closer look at some of the most important of these myths, in the interest of furthering a more honest debate about globalization and its institutions, especially the IMF and the World Bank.

Globalization is no more natural or inevitable than the construction of skyscrapers. The globalization we have seen in recent decades has been driven by a laborious process of rule making. It is the establishment and enforcement of these rules that allows Timberland shoes, for example, to make their product in China at wages of 22 cents an hour, and then sell it at the local suburban mall. Advances in transportation and communications did not determine this result.

Our leaders have rewritten the rules of the game in a way that has driven down wages for the vast majority of American employees. One may agree or disagree with this policy, but it should be understood as a conscious political choice.

The same thing could have been done to the salaries of doctors, for example. With much less effort and expense than it has taken to negotiate investment and trade agreements like NAFTA and the WTO, we could license and regulate the training of doctors in foreign medical

[3] See, e.g., Jagdish Bhagwati, "The Capital Myth: The Difference Between Trade in Widgets and Dollars," *Foreign Affairs*, May/June 1998.

schools. By allowing these doctors to practice medicine in the United States, we could lower the salaries of doctors and greatly reduce health care costs, without any loss of quality.

Interestingly, the savings to consumers from reducing American doctors' salaries to even those of Europe would be enormous: about $70 billion a year. [4] This is about a hundred times more than the gains from tariff reduction in our most comprehensive trade liberalization agreements, such as the one that established the WTO five years ago.[5] Huge savings could also be achieved by introducing international competition to the practice of accountants, lawyers, economists, and other professionals. But it is unlikely to happen, because these professionals — unlike the majority of the US labor force — have enough political clout to protect themselves from international competition.

There is no doubt among economists that the process of rewriting rules has had a significant negative impact on the wages of American workers. The debate is about the size of the impact, because it is difficult to measure and separate the various changes that have led to an unprecedented weakening of labor's bargaining power in the United States. Imports have doubled since the early 1970's, and the outflow of direct foreign investment has also risen sharply. These changes have lowered union membership and weakened labor generally. But so have other factors, such as the Federal Reserve keeping unemployment (until a few years ago) much higher than necessary. Aggressive and often illegal anti-union tactics by employers, such as the intimidation and firing of union sympathizers, or hiring of permanent replacement workers during a strike, have also taken their toll.[6]

It is difficult to separate the influence of all of these factors and measure their specific effects, partly because each means of undermining labor's bargaining power may enable others to happen. For example, the loss of millions of unionized jobs in auto, steel, and other industries to globalization, and the increased ease of employers' "running away" to poorer countries may have encouraged the aggressive anti-union tactics that escalated sharply beginning in the 1980s. Economists who have attempted to measure the effect of trade itself on wages — even those who are strongly in favor of globalization — have found it to be very significant. For example, William Cline of the Institute for International Economics estimated that 39% of the increase in wage inequality from 1973-93 has resulted from increased trade.[7] And this is just trade— it does not capture the effect of employers' increasing ability to use the threat of plant relocation in order to undermine labor's bargaining power.

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[4] It should be noted that the administrative waste in our health care system is significantly greater than this amount. See General Accounting Office (GAO), "Canadian Health Insurance: Lessons for the United States," Report to the Chairman, Committee on Government Operations, House of Representatives, 1991.

[5] If we were to add the efficiency gains from reducing non-tariff barriers, the benefits of the Uruguay Round would be higher— perhaps as high as one thirty-fifth of the potential savings from reducing the salaries of doctors.

[6] "…the overwhelming majority of employers use a broad range of aggressive legal and illegal anti-union tactics, including discharging workers for union activity…offering bribes, supporting anti-union committees, holding captive-audience meetings…most of these tactics are associated with significantly lower [union] win rates…" Kate Bronfenbrenner and Tom Juravich, in *Organizing to Win: New Research on Union Strategies*, Cornell University Press, 1998, p. 19-36.

[7] William Cline, *Trade and Income Distribution*, 1996, page 234.

For example, in a study commissioned by the labor secretariat of NAFTA, Kate Bronfenbrenner of Cornell University surveyed firms who faced union organizing drives since NAFTA was passed. She found that the majority of them threatened to shut down operations if the union won. 15% of the firms actually did close all or part of a plant when they had to bargain with a union. This was three times the rate of such incidents that occurred before NAFTA.[8]

In any case, the last quarter century of globalization has clearly failed to raise the wages and salaries of the majority of the US labor force. We can see this by looking at the real median wage, which is about the same today as it was 27 years ago. This one statistic tells a very big story, a fact that the more ardent advocates of globalization either don't understand, or pretend that they don't. *Median*: that means the 50th percentile, i.e., half of the entire labor force is at or below that wage. This includes office workers, supervisors, everyone working for a wage or salary—not just textile workers or people in industries that are hard hit by import competition or runaway shops. *Real*: that means adjusted for inflation, and quality changes. It is not acceptable to argue, as is often done, that the typical household now has a microwave and a VCR. That has already been taken into account in calculating the real wage.

This means that over the last 27 years, the typical wage or salary earner has not shared in the gains from economic growth. Now compare this result to the previous 27 years (1946-1973), in which foreign trade and investment formed a much smaller part of the US economy, and was more restricted. During this time, the typical wage increased by about 80%. This is one reason why it is uncommon for anyone to defend the era of globalization on the basis of its contribution to living standards in the United States.

Politicians will often state that the global economy has contributed to the growth of jobs in the United States, although economists— even those who are most enthusiastic about increasing trade— do not. This claim is simply false, since the United States has been running a trade deficit for 25 of the last 27 years, during which our trade as a percentage of the economy has doubled.[9] A trade deficit means that the nation is importing more than it is exporting. Under such circumstances trade can only have a negative effect on employment.[10]

The overall effects of globalization on living standards in the United States seem to be better understood by the majority of the public than they are in elite and policy-making circles. A *Wall Street Journal*/NBC poll found 58% of Americans believed that foreign trade reduced jobs and wages. When asked to describe their views on trade in a recent *Business Week*/Harris poll,

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[8] Bronfenbrenner, "Final Report: The Effects of Plant Closing or Threat of Plant Closing on the Right of Workers to Organize," *op cit.*

[9] "Economic Report of the President," Council of Economic Advisers, February 2000.

[10] Most economists would actually maintain that trade has no appreciable effect on the total number of jobs in the United States over the long run. This would be for either of two reasons: first, many if not most economists assume that the economy achieves full employment over the long run. Second— a much more plausible assumption— is that the Federal Reserve determines the rate of unemployment over the long run, through its control over short-term interest rates.

The second reason is basically true, although it must be noted that while the Fed determines the overall rate of unemployment and therefore the *total* number of jobs that the economy can produce, the amount of *gross* job loss can still be very much affected by trade. For example, manufacturing workers can lose their jobs to import competition, while new jobs are created in the service sector. The total number of jobs may end up being the same, but there is still much hardship, and generally lower wages, for those who lose their jobs in manufacturing.

only 10% chose "free trader." Fifty percent chose "fair trader," a label rarely used by anyone outside the labor or protest movement. And 37% chose "protectionist"— a word that is never granted a positive connotation in the press. Although there were mixed feelings about globalization in general, people most often chose "protecting the environment" and "preventing the loss of US jobs" as a major priority for trade agreements— putting them directly at odds with our policy makers and trade officials.

Globalization and Growth in Less Developed Countries

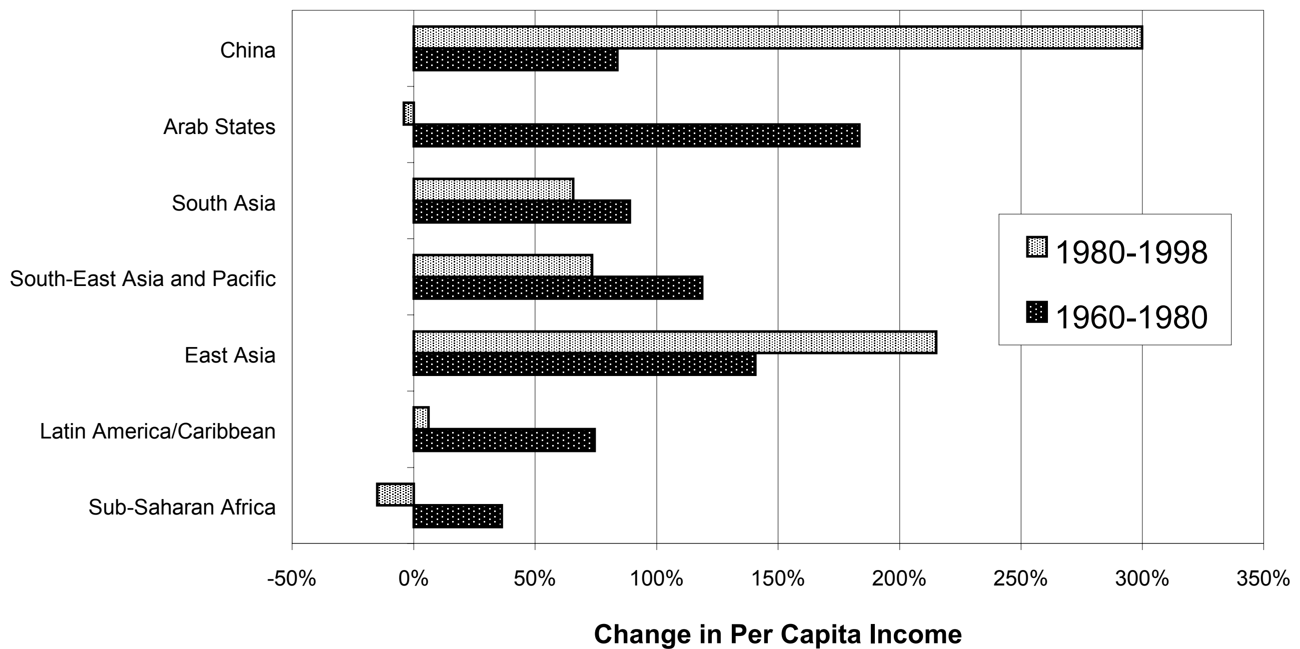
Given the lack of support for current trade and commercial policy, among the statistics as well as the American people, defenders of the status quo have increasingly argued that it is a boon to the economies of the underdeveloped countries. The following statement from US Treasury Secretary (then Deputy Secretary) Larry Summers, quoted without correction in the *New York Times*, is typical:

> "When history books are written 200 years from now about the last two decades of the 20th century, I am convinced that the end of the cold war will be the second story. The first story will be about the appearance of emerging markets—about the fact that developing countries where more than three billion people live have moved toward the market and seen rapid growth in incomes."[11]

This argument appears to be readily accepted, in spite of the fact that the overwhelming evidence is to the contrary. It has become the most common defense of current policy, as well as the IMF and World Bank, in journalistic and policy-making circles. Often it is accepted even by critics of the IMF and the Bank, who are concerned about the effects of globalization on income distribution, but assume that globalization has indeed raised incomes throughout most of the world.

[11] Nicholas D. Kristof with Edward Wyatt, "Who Went Under in the World's Sea of Cash," *New York Times*, February 15, 1999.

Figure 1: Change in Per Capita Income in the Developing World: 1960-1980 vs. 1980-1998



Source: UNDP Human Development Reports 1998, 2000.

Figure 1 shows the rate of growth of GDP per capita for the various regions of the developing world. If we compare the results since 1980 with the previous two decades, the difference is striking. In every region except East Asia, the later period shows remarkably slower growth.

In Latin America, for example, GDP per capita grew by 75% from 1960-1980, whereas in the latter period it has only risen 6%. For sub-Saharan Africa, GDP per capita grew by 36% in the first period, while it has since fallen by 15%.

These are enormous differences by any standard of comparison, and represent the loss to an entire generation— for hundreds of millions of people— of any chance to improve its living standards. Even where growth was significant, as in Southeast Asia, it was still better in the earlier period. The only exception to this trend was East Asia, which grew faster from 1980 to 1998 than in the previous period. But this is due to the quadrupling of GDP, over the last 18 years in China (which has 83% of the population of East Asia).

In short, there is no region of the world that the Bank or Fund can point to as having succeeded through adopting the policies that they promote— or in many cases, impose— upon borrowing countries. (They are understandably reluctant to claim credit for China, which

maintains a non-convertible currency, state control over its banking system, and other major violations of IMF/Bank prescriptions).[12]

The Growth Slowdown

The growth slowdown of the last two decades was a worldwide phenomenon. Table 1 compares the rates of growth of output per person for 116 countries during 1960-1980 versus 1980-2000.

The countries for which data was available for both periods, the (arithmetical) average rate of growth of output per person for the period 1960-1980 was 83%. For 1980-2000 it was 33%.

There were 89 countries – 77% — that saw their per capita rate of growth fall significantly from the period 1960-1980 to the period 1980-2000. Only 14 countries – 13% — saw their per capita rate of growth rise significantly from 1960-1980 to 1980-2000.[13]

Eighteen countries – including several in Africa — would have more than twice as much income per person as they have today, if they had maintained the rate of growth in the last two decades that they had in the previous two decades.[14] The average Mexican would have nearly twice as much income today, and the average Brazilian much more than twice as much, if not for the slowdown of economic growth over the last two decades.

Many countries would have dramatically changed their position in the world economy if they had maintained their previous rate of growth, compared with where other countries stand today. Greece would be richer than Belgium; Uruguay, Mexico, Gabon and Trinidad would be richer than South Korea; Brazil would be richer than Saudi Arabia; Ecuador would be richer than Costa Rica; Ivory Coast, Cameroon, Haiti, Lesotho, Togo, and Nigeria would be richer than China.[15]

The failure to acknowledge this dramatic decline in growth rates has left a gaping hole in the debate over the policies of the world's two most powerful financial institutions. It allows the

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[12] Official spokespersons and supporters of IMF and World Bank policies generally point to an individual country over a relatively short period of time, when defending their record. For example, in a recent *New York Times* article (June 25, 2000, by Joseph Kahn, page 5) US Treasury Secretary Larry Summers cited Uganda and Poland as success stories for their economic model. But Uganda, despite seven years of growth, is still 30 percent below its per capita income of 1983. And Poland, as it turns out, is very unrepresentative of the countries of Eastern Europe and the former Soviet Union— most of which are still living far below their 1989 levels of income (see below).

[13] We considered a country's growth to have fallen significantly if its per capita growth was more than 5 percentage points lower in the second period. We considered a country's growth to have risen significantly if its growth was more than 5 percentage points higher in the second period. (We excluded countries here that had negative growth in both periods.)

[14] These are the countries where the entry in the column "Increase forgone in per capita GDP" is more than 100%.

[15] This can be seen by comparing a country's entry in the column "1999 per capita GDP if adjusted for forgone growth" with the entries in the column "Per capita GDP (1999 U.S. Dollars)."

Fund and the Bank to continue imposing a whole cluster of failed policies repeatedly, without their competence or the policies themselves being called into question. When prominent economists such as Jeffrey Sachs or former World Bank Chief Economist Joseph Stiglitz criticize the IMF's macroeconomic policies, or Harvard's Dani Rodrik questions the institutional overreaching on questions of openness, the Fund and the Bank pay no heed. The Fund simply repeats its assertions that it is helping developing countries to maintain macroeconomic stability, and to grow. Perhaps it (and the Bank) could do more to fight poverty and protect the environment, but they are "getting the fundamentals right" so that countries will have the option to improve living standards for everyone. But this is exactly what they have not done.

If the IMF and the Bank were simply research institutions, their errors would not be so damaging, since their analyses would compete in the marketplace of ideas and be judged by their success or failure. But in fact they control access to credit for countries with most of the population of the developing world (and transition economies). The Fund acts as gatekeeper: most of the Bank's lending is contingent on Fund approval, and therefore on adherence of the borrowing country to IMF conditions. Most credit from other multilateral institutions (e.g. the Inter-American Development Bank) and even private sources is also contingent on the IMF's seal of approval. As a result of this arrangement, the Fund and the Bank have the power to impose their policies on dozens of governments throughout the world.

It is, of course, difficult to separate out the causal relationships between various economic policies— what has come to be known as "the Washington consensus"— and the dramatically reduced economic growth of the last two decades. But they can be seen in any number of case and country studies, and although the results vary, the errors are often the same.

For example, in just the last three years the IMF and its allied creditors have made serious policy errors that have undoubtedly reduced cumulative economic growth for hundreds of millions of people. In the Asian financial crisis, the Fund's drastically tight monetary policies (interest rates as high as 80% in Indonesia) and fiscal austerity deepened the recession and threw tens of millions of people into poverty. Although the regional economy has now recovered, the lost growth and increased poverty is still significant[16]. And Indonesia, the largest of the five crisis countries (including South Korea, Thailand, Malaysia, and the Philippines) with more than 50% of their total population, has yet to recover, after a 13.4% decline in GDP in 1998.

In Russia in 1998, the IMF insisted on maintaining an overvalued fixed exchange rate, which required raising interest rates as high as 150%. These policies not only led to excessive foreign debt burdens, but also maintained a speculative bubble in the financial sphere, and drained the real economy of investment capital. The overvalued ruble kept imports artificially cheap, hobbling domestic production, and exports overly expensive— until the currency collapsed in August of 1998. The IMF supported a similar policy in Brazil. The government raised interest rates to more than 50% and borrowed billions from the Fund in November of 1998 to stabilize its overvalued currency— only to have it collapse just a few months later.

[16] World Bank, "East Asia: Recovery and Beyond," June 1, 2000.

Was growth unnecessarily reduced in these cases by the Fund policy, as Stiglitz,[17] Sachs,[18] and others have argued? The answer to any question of this type depends on a counter-factual. Defenders of the status quo argue that all of these cases would have been worse without the IMF's policies.[19] While it is always difficult to say what the counter-factual would have been, there are some strong indications in each of these cases. For example, in Indonesia, the extremely high interest rates failed to prevent the currency from losing more than three-quarters of its value. It is difficult to imagine how much further the currency would have fallen, or how preventing a further slide could be worth the bankruptcies and economic collapse caused by these interest rates.

There is also the counter-factual of Malaysia, which, rather than use sky-high interest rates to defend its currency, imposed currency controls. In spite of widespread opposition to this move from both multilateral and private foreign creditors, and the lowering of its international credit rating, Malaysia emerged from the crisis with the smallest percentage of lost output among the five countries.[20]

For the interventions in Russia and Brazil, the Fund's argument for sacrificing output in order to defend the currency was that devaluation would lead to runaway inflation. We now know that this argument was wrong. Inflation in Russia for the year following the devaluation (1999) was 36%, and for this year it is running at about 25%. Inflation in Brazil was 8.9% for 1999, and is down to 1.4% for the first five months of this year. The Russian devaluation in particular has been helpful in jump-starting the country's stagnant industrial sector, with manufacturing production increasing by 12.8% and the trade surplus tenfold since the collapse of the ruble.

As independent economists have noted for many years,[21] all of these errors are part of a pattern of macroeconomic policies that have a pronounced bias toward reduced growth. Getting rid of a current account deficit by shrinking the domestic economy, for example, is a Fund strategy that has been deployed for decades. So however much "fiscal discipline" and policies that contain inflation may be helpful in some instances, these medicines are often quite lethal when prescribed inappropriately or in overdose.

There are other problems as well: IMF and World Bank economists do not necessarily know enough about specific country conditions to be making some of the decisions that they make. And they may have multiple objectives that do not necessarily coincide with the interests of borrowing countries. For example, it is now widely recognized that the opening of financial markets in East Asia was the primary cause of the Asian financial crisis, as it led to an enormous

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[17] Joseph Stiglitz, "The Insider: What I learned at the World Economic Crisis," *New Republic,* April 17, 2000.

[18] Steven Radelet and Jeffrey Sachs, "The East Asian Financial Crisis: Diagnosis, Remedies, Prospects," Harvard Institute for International Development, April 20, 1998.

[19] Rudi Dornbusch, letter to the *New Republic*, May 29, 2000; Letter from Thomas Dawson, "A Response to an Article in *Barrons*," April 15, 2000, International Monetary Fund (see http://www.imf.org/external/np/vc/2000/041500.htm).

[20] World Bank, "East Asia: Recovery and Beyond," June 1, 2000.

[21] See, e.g. "The Revival of the Liberal Creed: The IMF, the World Bank, and Inequality in a Globalized Economy" (Lance Taylor and Ute Pieper) in Dean Baker, Gerald Epstein, and Robert Pollin (eds.) *Globalization and Progressive Economic Policy: What are the Real Constraints and Options?*, 1998.

build-up of short-term foreign debt relative to reserves. The sudden reversal of capital flows that followed, which amounted to 11% of the combined GDP of Indonesia, South Korea, the Philippines, Thailand, and Malaysia, was devastating. The IMF and its patron, the US Treasury Department, promoted this opening of capital markets, and even sought to amend the Fund's charter so as to be able to exert authority over the capital accounts of member countries.[22] But the crisis countries, in particular, had no need for the huge inflows of portfolio investment that ended up destabilizing their economies; they had very high domestic savings rates. As Stiglitz has noted, the push for capital account liberalization may have more to do with the search by US mutual funds for foreign investment outlets than it did with the needs of borrowing countries.[23]

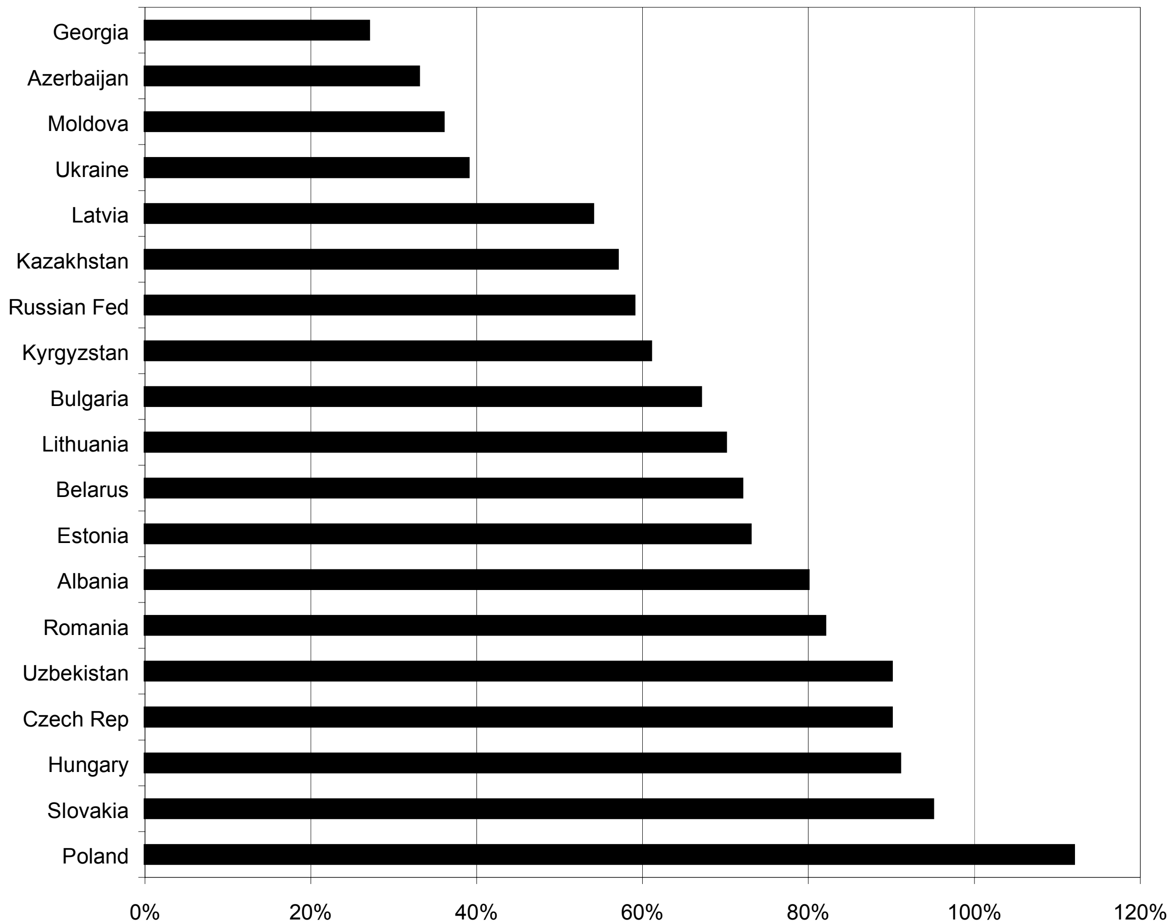
Liberalization in the Transition Economies

While inappropriate economic policies may have sharply slowed growth in the less developed countries, and interrupted it in East Asia, their effect on the transition economies of the former Soviet Union and Eastern Europe has been even more drastic.

These countries are not included in the above tables, but they must be counted among the most severe long-term failures of IMF policies. Figure 2 below shows the GDP per capita of nineteen transition economies in 1997. After 8 years, only Poland had caught up with its pre-transition (1989) level of GDP.

[22] International Monetary Fund, "Communiqué of the Interim Committee of the Board of Governors of the IMF," Press Release Number 97/44, September 21, 1997.
[23] "IMF and World Bank Accountability: Closing the Gap Between Rhetoric and Reality," Panel with Joseph Stiglitz, sponsored by the Heinrich Boll Foundation, June 8, 2000.

Figure 2: Transition Economies: 1997 GDP as a Percentage of 1989 GDP



Source: Stiglitz (1999)

Russia has been perhaps the biggest failure of all, suffering a decline in GDP (over 50%) rarely seen in the absence of war or major natural disaster. The number of poor people (living on less than $4 dollars a day) soared from two million to 60 million by the mid-nineties[24]. Some of the errors made here were specific to transitional economies— most importantly the rapid privatization in the absence of necessary legal and institutional structures, and the enormous destruction of physical and social capital that resulted. But other mistakes were part of the IMF's modus operandi: contractionary macroeconomic policies and reckless liberalization of not only trade, but the capital account (which combined with the other incentives to de-capitalize existing industries led to enormous flight of capital out of the country). Perhaps most importantly, as Stiglitz has noted, there was "a misunderstanding of the very foundations of a market economy"

[24] Joseph Stiglitz, "Whither Reform: 10 Years of the Transition," paper prepared for the World Bank Annual Conference on Development Economics," Washington, DC, April 28-39, 1999, page 2.

and "an excessive reliance on textbook models of economics," and in particular, "the neo-classical model." (Stiglitz 1999, p. 5). Stiglitz also shows that part of the problem came from "confusing means with ends: taking, for instance, privatization or the opening of capital accounts as a mark of success rather than means to the more fundamental ends." These criticisms would apply generally to IMF and Bank policies in many developing countries as well.

Conclusion

Part of the process of "globalization," as the rules are being written, is an attempt to reverse the balance that had been achieved between markets and non-market institutions in the "mixed economies" of modern capitalism. The regulation of financial markets has been undermined, sometimes with disastrous consequences— as in the Asian financial crisis. Speculative bubbles are more easily inflated with the increase in international capital flows— as in the US stock and currency markets today[25]. Unions have been weakened, as noted above, especially in the United States. The ability of national governments to regulate or even tax corporations has also been reduced. Corporate income taxes provided 32% of US federal tax revenue in 1952; in 1999 it was only 10%.[26]

Nonetheless it must be stressed that these changes are a result of deliberate decisions by policy makers in the various national governments. These governments have decided— and for the less developed countries, often under pressure from the IMF and World Bank— to shape the process of globalization in a certain way. The results are not an inevitable byproduct of technological changes in communications, transportation, or other industries. Where powerful corporations have an interest in enforcing national laws against the forces of technology and international competition, successful and even increasing efforts have been made to do so. This has been the case with "intellectual property rights." To benefit pharmaceutical companies and the entertainment industry, countries have been forced to rewrite their own laws in order to comply with US copyright and patent laws.[27]

This form of protectionism, which involves the enforcement of a monopoly over a certain product by a drug company or entertainment conglomerate, continues to grow. The World Trade Organization, formed in 1995, made the extension of intellectual property claims a major priority, while at the same time advocating the reduction of other barriers to international competition, such as tariffs on agricultural goods. From a strictly economic perspective, both are forms of protectionism, in which certain producers are legally protected from competition.[28] Yet the protection of industry or agriculture is widely judged to be inefficient, counter-productive,

[25] See Dean Baker, "Double Bubble: The Implications of the Over-Valuation of the Stock Market and the Dollar," Center for Economic and Policy Research, June 2000.
[26] *Economic Report of the President*, 2000.
[27] Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS" Agreement), Annex 1C, Marrakesh Agreement Establishing the World Trade Organization, Marrakesh, Morocco, April 15, 1994.
[28] One major difference is that while tariffs rarely raise the price of a good by more than 20 percent, patents and copyrights can raise it by percentages in the hundreds or even thousands.

and futile in the face of the "new global economy;" while the protection of patented drugs from generic competition is considered an appropriate national policy.

The failure of the last two decades of globalization, structural adjustment, privatization, and "market fundamentalism" to raise living standards worldwide, and the dramatic decline in growth, especially in underdeveloped countries, should be cause for serious concern. The IMF and the World Bank should be using their enormous capacity for research to try to find out what has gone wrong. Most importantly, they should not pretend that they have the necessary expertise nor the answers to the difficult and often country-specific problems of economic growth and development, for it is clear that they do not. They could play a much more constructive role by helping to cancel the crushing, unpayable debt of the poorer countries and allowing each nation to choose its own path to economic growth and development.

Table 1

PER CAPITA GDP GROWTH, 1960-2000												
	Real Per Capita GDP (1985 U.S. Dollars)[1]			Real per capita GDP, domestic currency[2]						Per capita GDP (1999 U.S. Dollars)[4]		
Country	1960	1980	Percent increase 1960-1980	1980	2000	Percent increase 1980-2000	Change from (1960-80) to (1980-2000) [in percentage points[3]]		Increase foregone in per capita GDP	Per capita GDP	Rank	1999 per capita GDP if adjusted for forgone growth
							increase	decrease				
LUXEMBOURG	7,921	11,893	50%	724,881	1,611,935	122%	72%			44,206	**1**	
SWITZERLAND	9,409	14,301	52%	40,176	47,447	18%		34%	29%	36,254	**2**	46,660
JAPAN	2,954	10,072	241%	2,488,251	3,838,392	54%		187%	121%	34,402	**3**	76,039
NORWAY	5,610	12,141	116%	156,013	251,571	61%		55%	34%	34,214	**4**	45,919
U.S.A.	9,895	15,295	55%	21,531	33,599	56%				33,934	**5**	
ICELAND	4,964	11,566	133%	1,213,356	1,738,479	43%		90%	63%	33,218	**6**	54,019
DENMARK	6,760	11,342	68%	132,479	197,648	49%		19%	12%	32,727	**7**	36,805
SWEDEN	7,592	12,456	64%	164,220	220,283	34%		30%	22%	26,870	**8**	32,865
AUSTRIA	5,143	10,509	104%	228,354	325,374	42%		62%	43%	25,793	**9**	36,990
FINLAND	5,291	10,851	105%	88,576	137,884	56%		49%	32%	25,195	**10**	33,193
NETHERLANDS	6,077	11,284	86%	34,174	50,162	47%		39%	27%	24,988	**11**	31,610
SINGAPORE	1,658	7,053	325%	14,388	38,718	169%		156%	58%	24,808	**12**	39,216
BELGIUM	5,495	11,109	102%	549,687	918,980	67%		35%	21%	24,760	**13**	29,941
U.K.	6,823	10,167	49%	8,961	13,899	55%	6%			24,633	**14**	
FRANCE	5,823	11,756	102%	107,086	150,090	40%		62%	44%	24,594	**15**	35,426
IRELAND	3,311	6,823	106%	6,795	16,585	144%	38%			24,529	**16**	
HONG KONG	2,247	8,719	288%	61,194	125,603	105%		183%	89%	23,640	**17**	44,690
CANADA	7,258	14,133	95%	21,794	29,322	35%		60%	45%	20,874	**18**	30,212
ITALY	4,564	10,323	126%	23,996,561	34,414,608	43%		83%	58%	20,734	**19**	32,701
AUSTRALIA	7,782	12,520	61%	21,462	32,632	52%		9%	6%	20,696	**20**	21,898
ISRAEL	3,477	7,895	127%	35,975	49,108	37%		91%	66%	15,584	**21**	25,922
SPAIN	3,123	7,390	137%	1,325,585	2,229,872	68%		68%	41%	15,369	**22**	21,619
NEW ZEALAND	7,960	10,362	30%	19,689	25,417	29%				14,597	**23**	
CYPRUS	2,037	5,295	160%	2,597	5,769	122%		38%	17%	13,965	**24**	16,340
TAIWAN	1,256	4,459	255%	117,241	363,089	210%		45%	15%	12,700	**25**	14,559
GREECE	2,093	5,901	182%	839,688	1,126,566	34%		148%	110%	11,873	**26**	24,951
PORTUGAL	1,869	4,982	167%	1,062,458	1,929,098	82%		85%	47%	11,824	**27**	17,359
MALTA	1,374	4,483	226%	807	1,508	87%		139%	75%	10,425	**28**	18,195

	Real Per Capita GDP (1985 U.S. Dollars)[1]			Real per capita GDP, domestic currency[2]						Per capita GDP (1999 U.S. Dollars)[4]		
Country	1960	1980	Percent increase 1960-1980	1980	2000	Percent increase 1980-2000	Change from (1960-80) to (1980-2000) [in percentage points[3]]		Increase foregone in per capita GDP	Per capita GDP	**Rank**	1999 per capita GDP if adjusted for forgone growth
							increase	decrease				
BARBADOS	2,666	6,379	139%	9,826	12,432	27%		113%	89%	9,789	**29**	18,512
KOREA, REP.	904	3,093	242%	3,016,207	9,927,236	229%		13%	4%	8,712	**30**	9,056
ARGENTINA	4,462	6,506	46%	7,357	7,881	7%		39%	36%	7,793	**31**	10,609
SEYCHELLES	1,258	2,906	131%	21,880	32,136	47%		84%	57%	7,378	**32**	11,605
SAUDI ARABIA	3,884	13,750	254%	38,113	21,206	-44%		298%	536%	6,699	**33**	42,626
URUGUAY	3,968	5,091	28%	94	88	-7%		35%	38%	6,357	**34**	8,750
MEXICO	2,836	6,054	113%	13,615	15,172	11%		102%	92%	4,748	**35**	9,096
MYANMAR	316	505	60%	1,317	1,933	47%		13%	9%	4,693	**36**	5,108
TRINIDAD&TOBAGO	5,627	11,262	100%	19,841	15,937	-20%		120%	149%	4,666	**37**	11,626
CHILE	2,885	3,892	35%	296,232	575,943	94%	60%			4,521	**38**	
VENEZUELA	6,338	7,401	17%	29,174	23,877	-18%		35%	43%	4,321	**39**	6,166
MALAYSIA	1,420	3,799	168%	4,299	9,229	115%		53%	25%	3,640	**40**	4,536
GABON	1,789	4,797	168%	1,899,620	1,594,799	-16%		184%	219%	3,622	**41**	11,569
BRAZIL	1,784	4,303	141%	0	0	5%		137%	131%	3,437	**42**	7,927
MAURITIUS	2,862	3,988	39%	23,156	50,389	118%	78%			3,411	**43**	
PANAMA	1,575	3,392	115%	2,180	2,586	19%		97%	82%	3,389	**44**	6,152
BOTSWANA	535	1,940	263%	2,750	6,970	153%		109%	43%	3,231	**45**	4,623
SOUTH AFRICA	2,191	3,496	60%	16,628	14,028	-16%		75%	89%	3,033	**46**	5,737
JAMAICA	1,773	2,362	33%	951	1,090	15%		19%	16%	2,894	**47**	3,363
TURKEY	1,662	2,874	73%	1,133,895	1,728,135	52%		25%	16%	2,890	**48**	3,360
COSTA RICA	2,096	3,717	77%	4,145	4,685	13%		64%	57%	2,877	**49**	4,513
FIJI	2,108	3,609	71%	1,179	1,538	30%		41%	31%	2,862	**50**	3,755
SURINAME	1,983	3,737	88%	4,667	4,133	-11%		100%	113%	2,474	**51**	5,265
TUNISIA	1,101	2,527	130%	1,192	1,864	56%		73%	47%	2,306	**52**	3,385
COLOMBIA	1,684	2,946	75%	1,484,407	1,853,936	25%		50%	40%	2,204	**53**	3,087
PARAGUAY	1,177	2,534	115%	222,635	230,565	4%		112%	108%	2,144	**54**	4,458
PERU	2,019	2,875	42%	210	193	-8%		51%	55%	2,097	**55**	3,259
THAILAND	943	2,178	131%	19,649	47,620	142%	11%			1,994	**56**	
EL SALVADOR	1,427	2,014	41%	7,989	8,620	8%		33%	31%	1,901	**57**	2,487
IRAN	2,946	3,434	17%	235,492	276,022	17%				1,873	**58**	
DOMINICAN REP.	1,195	2,343	96%	8,691	11,029	27%		69%	55%	1,795	**59**	2,773

	Real Per Capita GDP (1985 U.S. Dollars)[1]			Real per capita GDP, domestic currency[2]						Per capita GDP (1999 U.S. Dollars)[4]		
Country	1960	1980	Percent increase 1960-1980	1980	2000	Percent increase 1980-2000	Change from (1960-80) to (1980-2000) [in percentage points[3]]		Increase foregone in per capita GDP	Per capita GDP	Rank	1999 per capita GDP if adjusted for forgone growth
							increase	decrease				
NAMIBIA	1,790	2,904	62%	6,785	4,686	-31%		93%	135%	1,674	**60**	3,932
GUATEMALA	1,660	2,574	55%	449	441	-2%		57%	58%	1,615	**61**	2,546
ALGERIA	1,723	2,758	60%	12,383	11,020	-11%		71%	80%	1,552	**62**	2,792
ROMANIA	431	1,422	230%	36,533	30,911	-15%		245%	290%	1,507	**63**	5,878
JORDAN	1,162	3,384	191%	692	558	-19%		211%	261%	1,497	**64**	5,404
EGYPT	809	1,645	103%	2,965	4,740	60%		43%	27%	1,392	**65**	1,770
CAPE VERDE IS.	469	934	99%	66,457	83,033	25%		74%	59%	1,376	**66**	2,194
ECUADOR	1,461	3,238	122%	18,170	16,585	-9%		130%	143%	1,312	**67**	3,186
MOROCCO	815	1,941	138%	3,833	4,743	24%		114%	92%	1,247	**68**	2,400
SWAZILAND	1,248	3,057	145%	2,132	2,849	34%		111%	83%	1,177	**69**	2,157
BOLIVIA	1,148	1,989	73%	3,047	3,014	-1%		74%	75%	1,146	**70**	2,007
SYRIA	1,575	4,467	184%	8,285	8,939	8%		176%	163%	1,045	**71**	2,748
GUYANA	1,596	1,927	21%	5,852	7,018	20%				998	**72**	
PHILIPPINES	1,133	1,879	66%	12,619	12,442	-1%		67%	68%	975	**73**	1,641
PAPUA N.GUINEA	1,235	1,779	44%	683	845	24%		20%	16%	869	**74**	1,013
HONDURAS	1,039	1,519	46%	1,102	1,136	3%		43%	42%	854	**75**	1,211
SRI LANKA	1,259	1,635	30%	6,041	11,544	91%	61%			821	**76**	
CONGO	1,123	1,931	72%	273,403	301,370	10%		62%	56%	796	**77**	1,242
CHINA	567	972	71%	791	3,810	382%	310%			791	**78**	
INDONESIA	638	1,281	101%	1,052,283	1,839,714	75%		26%	15%	729	**79**	838
IVORY COAST	1,120	1,790	60%	319,893	243,502	-24%		84%	110%	689	**80**	1,447
CAMEROON	641	1,194	86%	277,831	251,088	-10%		96%	106%	616	**81**	1,270
HAITI	924	1,033	12%	987	628	-36%		48%	76%	570	**82**	1,002
GUINEA	559	817	46%	311,087	369,089	19%		28%	23%	511	**83**	629
SENEGAL	1,047	1,134	8%	217,813	222,389	2%		6%	6%	507	**84**	538
ANGOLA	931	675	-27%	0	0	-28%				500	**85**	
NICARAGUA	1,606	1,853	15%	7,619	5,251	-31%		46%	67%	471	**86**	789
PAKISTAN	638	1,110	74%	3,193	5,206	63%		11%	7%	453	**87**	484
INDIA	766	882	15%	6,392	13,135	105%	90%			449	**88**	
ZIMBABWE	989	1,206	22%	1,969	1,891	-4%		26%	27%	436	**89**	554
LESOTHO	313	994	218%	788	1,040	32%		186%	141%	394	**90**	948

	Real Per Capita GDP (1985 U.S. Dollars)[1]			Real per capita GDP, domestic currency[2]						Per capita GDP (1999 U.S. Dollars)[4]		
Country	1960	1980	Percent increase 1960-1980	1980	2000	Percent increase 1980-2000	Change from (1960-80) to (1980-2000) [in percentage points[3]]		Increase foregone in per capita GDP	Per capita GDP	Rank	1999 per capita GDP if adjusted for forgone growth
							increase	decrease				
GHANA	894	976	9%	153,602	155,478	1%		8%	8%	391	**91**	421
BENIN	1,100	1,114	1%	130,777	126,649	-3%				389	**92**	
KENYA	659	911	38%	7,815	7,802	0%		38%	38%	353	**93**	488
BANGLADESH	952	1,085	14%	7,506	12,417	65%	51%			351	**94**	
COMOROS	543	631	16%	160,584	117,247	-27%		43%	59%	349	**95**	556
MAURITANIA	780	885	13%	23,417	30,140	29%				330	**96**	
GAMBIA	602	1,017	69%	2,815	2,618	-7%		76%	82%	330	**97**	599
ZAMBIA	965	971	1%	17,656	10,780	-39%		40%	65%	314	**98**	517
TOGO	367	731	99%	155,748	109,907	-29%		129%	182%	302	**99**	854
RWANDA	537	757	41%	33,231	29,091	-12%		53%	61%	287	**100**	462
NIGERIA	567	1,438	154%	3,601	2,811	-22%		176%	225%	279	**101**	906
CENTRAL AFR.R.	704	706	0%	143,883	125,476	-13%		13%	15%	277	**102**	318
TANZANIA	319	480	50%	32,307	33,572	4%		47%	45%	263	**103**	381
UGANDA	598	534	-11%	72,175	108,742	51%	61%			261	**104**	
MALI	535	532	-1%	88,279	85,747	-3%				251	**105**	
MADAGASCAR	1,191	984	-17%	498,306	356,898	-28%				245	**106**	
MOZAMBIQUE	1,153	923	-20%	190,044	242,997	28%				240	**107**	
NEPAL	628	892	42%	2,782	4,001	44%				222	**108**	
CHAD	756	528	-30%	60,993	86,823	42%	73%			217	**109**	
BURKINA FASO	456	457	0%	77,081	92,390	20%	20%			216	**110**	
NIGER	532	717	35%	121,301	79,136	-35%		70%	107%	198	**111**	409
GUINEA-BISS	503	471	-6%	70,891	64,417	-9%				190	**112**	
BURUNDI	640	480	-25%	30,426	28,354	-7%				168	**113**	
MALAWI	380	554	46%	627	620	-1%		47%	47%	166	**114**	245
ZAIRE	489	476	-3%	0	0	-68%				115	**115**	
ETHIOPIA	257	322	25%	395	408	3%		22%	21%	108	**116**	131
Average:			83%			33%		77%				

[1]Source, Penn World Table

[2]Source: IMF

	Real Per Capita GDP (1985 U.S. Dollars)[1]			**Real per capita GDP, domestic currency**[2]						**Per capita GDP (1999 U.S. Dollars)**[4]		
Country	1960	1980	Percent increase 1960-1980	1980	2000	Percent increase 1980-2000	Change from (1960-80) to (1980-2000) [in percentage points[3]]		Increase foregone in per capita GDP	Per capita GDP	**Rank**	1999 per capita GDP if adjusted for forgone growth
							increase	decrease				

[3]Only changes greater than five percentage points shown; countries with negative growth in both periods not shown.

[4]Source: IMF

Table 2

Lost Output, Selected Developing Countries, 1960-1980 vs. 1980-2000

Country	Population, 1998, $000s (UN)	GDP loss, 1999, $000s	Annual, 1960-1980	Annual, 1980-2000	Lost output 1980-1999, as share of 1980 output	Lost years of econ-omic activity	1980 GDP $ billions (1999 dollars)	Lost output 1980-1999, $ billions (1999 dollars)
KOREA, REP.	46,109	$ 15,886,078	6.3%	6.1%	84%	1	$ 113.7	$ 95.5
ARGENTINA	36,123	$ 101,701,319	1.9%	0.3%	340%	3	$ 382.1	$ 1,298.4
SEYCHELLES	76	$ 321,231	4.3%	1.9%	649%	6	$ 0.3	$ 1.7
URUGUAY	3,289	$ 7,868,342	1.3%	-0.4%	322%	3	$ 17.6	$ 56.6
MEXICO	95,831	$ 416,643,313	3.9%	0.5%	830%	8	$ 369.3	$ 3,063.7
TRINIDAD/TOBAG(	1,283	$ 8,929,539	3.5%	-1.1%	1031%	10	$ 11.4	$ 117.1
VENEZUELA	23,242	$ 42,865,551	0.8%	-1.0%	334%	3	$ 127.7	$ 425.9
MALAYSIA	21,410	$ 19,189,633	5.0%	3.9%	377%	4	$ 44.8	$ 168.6
GABON	1,167	$ 9,273,700	5.1%	-0.9%	1483%	15	$ 7.8	$ 116.1
BRAZIL	165,851	$ 744,701,007	4.5%	0.2%	1094%	11	$ 272.3	$ 2,978.9
PANAMA	2,767	$ 7,644,534	3.9%	0.9%	778%	8	$ 7.0	$ 54.2
BOTSWANA	1,570	$ 2,184,765	6.7%	4.8%	723%	7	$ 1.9	$ 14.0
SOUTH AFRICA	39,357	$ 106,417,686	2.4%	-0.8%	673%	7	$ 147.3	$ 990.6
JAMAICA	2,538	$ 1,189,428	1.4%	0.7%	164%	2	$ 5.2	$ 8.5
TURKEY	64,479	$ 30,297,363	2.8%	2.1%	165%	2	$ 128.2	$ 212.1
COSTA RICA	3,841	$ 6,285,204	2.9%	0.6%	540%	5	$ 8.8	$ 47.7
FIJI	796	$ 710,877	2.7%	1.3%	337%	3	$ 2.2	$ 7.4
SURINAME	414	$ 1,155,310	3.2%	-0.6%	859%	9	$ 1.6	$ 13.9
TUNISIA	9,335	$ 10,075,232	4.2%	2.3%	560%	6	$ 16.0	$ 89.5
COLOMBIA	40,803	$ 36,036,789	2.8%	1.1%	415%	4	$ 51.3	$ 213.0
PARAGUAY	5,222	$ 12,080,539	3.9%	0.2%	916%	9	$ 6.8	$ 62.7
PERU	24,797	$ 28,831,978	1.8%	-0.4%	459%	5	$ 37.8	$ 173.3
EL SALVADOR	6,032	$ 3,531,335	1.7%	0.4%	293%	3	$ 7.1	$ 20.9
DOMINICAN REP.	8,232	$ 8,052,614	3.4%	1.2%	561%	6	$ 12.6	$ 70.8
NAMIBIA	1,660	$ 3,748,508	2.4%	-1.8%	854%	9	$ 5.6	$ 48.2
GUATEMALA	10,801	$ 10,057,305	2.2%	-0.1%	499%	5	$ 14.4	$ 71.8
ALGERIA	30,081	$ 37,290,196	2.4%	-0.6%	631%	6	$ 77.4	$ 488.2
JORDAN	6,304	$ 24,633,330	5.5%	-1.1%	1674%	17	$ 7.3	$ 122.2
EGYPT	65,978	$ 24,956,162	3.6%	2.4%	338%	3	$ 40.9	$ 138.4
CAPE VERDE IS.	408	$ 333,492	3.5%	1.1%	602%	6	$ 0.3	$ 1.5
ECUADOR	12,175	$ 22,811,244	4.1%	-0.5%	1080%	11	$ 21.4	$ 231.7
MOROCCO	27,377	$ 31,565,164	4.4%	1.1%	898%	9	$ 34.4	$ 309.1
SWAZILAND	952	$ 933,226	4.6%	1.5%	861%	9	$ 1.0	$ 8.5
BOLIVIA	7,957	$ 6,850,396	2.8%	-0.1%	640%	6	$ 6.7	$ 42.9
PHILIPPINES	72,944	$ 48,525,684	2.6%	-0.1%	584%	6	$ 59.3	$ 346.3

PAPUA N.GUINEA	4,600	$ 659,166	1.8%	1.1%	175%	2	$ 5.1	$ 8.9
HONDURAS	6,147	$ 2,192,776	1.9%	0.2%	380%	4	$ 4.7	$ 17.8
CONGO	2,785	$ 1,241,780	2.7%	0.5%	523%	5	$ 2.9	$ 15.4
INDONESIA	206,338	$ 22,341,973	3.5%	2.8%	200%	2	$ 158.7	$ 317.1
IVORY COAST	14,292	$ 10,833,757	2.4%	-1.4%	760%	8	$ 18.4	$ 139.4
CAMEROON	14,305	$ 9,353,040	3.2%	-0.5%	824%	8	$ 12.3	$ 101.5
HAITI	7,952	$ 3,429,862	0.6%	-2.2%	482%	5	$ 2.6	$ 12.4
GUINEA	7,337	$ 868,695	1.9%	0.9%	238%	2	$ 3.2	$ 7.5
SENEGAL	9,003	$ 277,469	0.4%	0.1%	58%	1	$ 5.5	$ 3.2
NICARAGUA	4,807	$ 1,526,838	0.7%	-1.8%	457%	5	$ 2.6	$ 11.8
PAKISTAN	148,166	$ 4,505,787	2.8%	2.5%	87%	1	$ 47.3	$ 41.3
ZIMBABWE	11,377	$ 1,339,528	1.0%	-0.2%	239%	2	$ 9.8	$ 23.4
LESOTHO	2,062	$ 1,142,462	5.9%	1.4%	1369%	14	$ 0.8	$ 11.2
GHANA	19,162	$ 587,976	0.4%	0.1%	74%	1	$ 28.5	$ 21.1
KENYA	29,008	$ 3,935,235	1.6%	0.0%	344%	3	$ 13.0	$ 44.7
COMOROS	658	$ 135,897	0.8%	-1.6%	420%	4	$ 0.2	$ 1.0
GAMBIA	1,229	$ 330,647	2.7%	-0.4%	662%	7	$ 0.4	$ 2.9
ZAMBIA	8,781	$ 1,786,078	0.0%	-2.4%	408%	4	$ 7.1	$ 29.0
TOGO	4,397	$ 2,423,951	3.5%	-1.7%	1126%	11	$ 2.2	$ 24.6
RWANDA	6,604	$ 1,156,520	1.7%	-0.7%	487%	5	$ 2.4	$ 11.7
NIGERIA	106,409	$ 66,761,350	4.8%	-1.2%	1442%	14	$ 118.3	$ 1,706.2
CENTRAL AFR.R.	3,485	$ 144,562	0.0%	-0.7%	127%	1	$ 1.5	$ 1.9
TANZANIA	32,102	$ 3,786,246	2.1%	0.2%	408%	4	$ 10.2	$ 41.6
NIGER	10,078	$ 2,128,904	1.5%	-2.1%	668%	7	$ 4.6	$ 30.6
MALAWI	10,346	$ 815,290	1.9%	-0.1%	417%	4	$ 2.3	$ 9.4
ETHIOPIA	59,649	$ 1,357,007	1.1%	0.2%	198%	2	$ 9.2	$ 18.3
	Totals	$ 1,978,640,870				353		$ 14,764.0