# **6.1** Integration with the global economy

	Trade		International finance				N	Novement of	Communication		
			% of GDP								
			through			Workers'			people with tertiary		International
			international			remittances			education to	International	Internet
			capital	Foreigi	n direct tment	and		International	0ECD countries	voice traffic <sup>a</sup>	bandwidth <sup>a</sup>
	% of (	GDP	Gross	Net	Net	of employees	Net migration	% of total	25 and older with	minutes	second
	Merchandise	Services	inflows	inflows	outflows	received	thousands	population	tertiary education	per person	per capita
	2007	2007	2007	2007	2007	2007	2000-05	2005	2000	2007	2007
Afghanistan	35.6		0.0	2.9			1,112	••	22.6	1	0
Albania	48.6	26.0	0.0	4.4	0.1	9.9	-110	2.6	17.4	125	216
Algeria	64.9		0.3	1.2		1.60	-140	0.7	9.4	18	89
Angola	83.5	21.1	5.8	-1.5	1.5		1/5	0.4	3.6		1/
Argentina	38.4	8.1 1/ Q	4.4	2.5	0.6	0.2	-100	3.9	2.8	128	2,320
Australia	37.4	9.7	0.2	4.8	3.0	0.5	593	20.1	27	120	 5 472
Austria	87.2	25.4	••	8.2	8.4	0.8	180	15.0	13.5		20.288
Azerbaijan	51.9	14.8	2.9	-15.2	0.9	4.1	-100	2.2	1.8		701
Bangladesh	45.4	6.6	1.0	1.0	0.0	9.6	-500	0.7	4.4	6	4
Belarus	118.4	11.8	0.8	4.0	0.0	0.8	0	12.2	3.2	••	264
Belgium	186.4	33.5		15.9	12.2	1.9	180	6.9	5.5		24,945
Benin	39.6	12.3	0.0	0.9	0.0	4.1 <sup>b</sup>	99	2.1	8.6	11	17
Bolivia	60.5	9.9	0.0	1.6	0.0	7.1	-100	1.3	5.8	80	42
Bosnia and Herzegovina	92.0	12.8	0.9	13.9	0.2	16.6	115	1.1	20.3	241	530
Botswana	74.3	15.5	0.0	-0.2	0.0	1.1	20	4.4	5.1	93	43
Brazil	21.9	4.7	5.3	2.6	0.5	0.3	-229	0.3	2.0		1,041
Bulgaria Burking Eggs	122.5	28.2	11.9	22.1	0.7	5.3	-43	1.3	9.6	31	4,909
Burundi	33.4	 21 /	0.2	0.9		0.7-	100	1.3	2.5	11	15
Cambodia	115.0	21.4	3.2	10.4	0.0	4.2	10	2.2	21.4	 10	17
Cameroon	35.6	10.1	0.0	2.1	-0.8	0.8	6	0.8	17.1	4	
Canada	60.8	10.8		8.4	4.1		1,041	18.9	4.7		16,193
Central African Republic	24.8	••	17.8	1.6			-45	1.8	7.2	••	0
Chad	69.9		0.0	8.5			219	4.3	9.0		1
Chile	70.4	11.4	3.4	8.8	2.3	0.0 <sup>b</sup>	30	1.4	6.0	40	4,086
China	67.8	7.9	2.9	4.3	0.5	1.0 <sup>b</sup>	-1,900	0.0	3.8	9	280
Hong Kong, China	347.3	60.2		26.2	29.5	0.2	300	44.0	29.6	1,387	15,892
Condo Dem Ren	30.3 70.9	4.8	3.1	4.4	0.4	2.2	-120	0.3	10.4	100	9/1
Congo Ren	117.7	 50 3	0.0	56.0	••		-237	8.0	22.9	+	0
Costa Rica	84.9	20.7	0.1	7.2	 1.0	2.4	84	10.2	7.1	 119	820
Côte d'Ivoire	74.1	17.1	0.4	2.2		0.9	-339	12.8	6.1		16
Croatia	74.5	32.1	9.9	9.6	0.5	2.7	100	14.9	24.6	208	3,380
Cuba	••		••				-129	0.7	28.8	31	19
Czech Republic	137.3	18.0	••	5.3	0.8	0.8	67	4.4	8.5	74	7,075
Denmark	65.2	37.1		3.8	6.4	0.3	46	7.2	7.8	307	34,506
Dominican Republic	57.4	18.0	2.9	4.6	0.0	9.3	-148	1./	22.4		154
Ecuauor Edvot Arab Rep	33.0	26.3	0.2 5.2	0.4 8 9	0.0	7.0	-400	0.9	9.5	90	324 1/13
Egypt, Alab Kep.	62.1	15.8	0.0	75	0.5	18.2	-143	0.2	31.7	515	18
Eritrea	38.6	10.0	0.0	-0.2	0.0		229	0.3	35.2	7	2
Estonia	126.8	35.7	2.9	12.9	7.5	2.0	1	15.0	9.9	••	11,925
Ethiopia	34.4	16.1	0.0	1.1	0.0	1.8	-140	0.7	9.8	3	3
Finland	70.0	17.2		4.7	3.5	0.3	33	3.0	7.2		17,221
France	45.1	10.7	••	6.2	8.8	0.5	722	10.6	3.4	243	29,466
Gabon	72.6	13.7	9.6	2.3	0.9	0.1 <sup>b</sup>	10	18.9	14.4	74	150
Gambia, The	51.0	29.7	0.0	10.6		7.4	31	14.3	67.8	••	36
Georgia	63.5	19.9	7.8	17.0	0.7	6.8	-248	4.3	2.8	••	745
Ghana	(1.9	14.4		1.6	5.2	0.3	1,000	12.3	5./		25,654
Greece	0U.9 21 Q	20.3 20.2	10.2	0.4 ೧೯	1 7	0.8 0.8	15 <i>1</i>	1.4 Q Q	44.0 12.1	180	∠⊥ 4 527
Guatemala	60.6	11.0	 0.0	2.1	1.1 0.2	12.6	_300	0.4	23.9	70Z	187
Guinea	50.2	7.5	0.0	2.4		3.3	-425	4.5	4.6		0
Guinea-Bissau	65.8		0.0	2.0		8.1 <sup>b</sup>	1	1.2	27.7		1
Haiti	32.8	13.5	0.0	1.1	••	18.2	-140	0.3	83.4	••	17



### Integration with the global economy **6.1**

	Trade		International finance				N	lovement of	Communication		
	% of	% of GDP		% of GDP Foreign direct investment Net Net		Workers' remittances and compensation of employees	Net migration	International migrant stock % of total	Emigration of people with tertiary education to OECD countries % of population age 25 and older with	International voice traffic <sup>a</sup> minutes	International Internet bandwidth <sup>a</sup> bits per second
	Merchandise 2007	e Services 2007	inflows 2007	inflows 2007	outflows 2007	received 2007	thousands 2000-05	population 2005	tertiary education 2000	per person 2007	per capita 2007
Honduras	115.7	14.6	0.0	6.7	0.0	21.5	-150	0.4	24.8	33	244
Hungary	137.0	23.1	8.2	26.9	25.8	0.3	65	3.1	12.8	120	4,773
India	30.8	15.2	5.2	2.0	1.1	3.0 <sup>b</sup>	-1,350	0.5	4.3	••	32
Indonesia	48.6	8.5	2.9	1.6	1.1	1.4	-1,000	0.1	2.9	••	53
Iran, Islamic Rep.	46.1		0.1	0.3		0.40	-1,250	2.8	14.3	9	153
Iraland	 78 6	 70 8	••		 85	 0.2	-375		23.7	••	15 229
Israel	69.0	23.8	••	5.9	4.3	0.2	115	38.4	7.8	 .364	2.003
Italy	47.4	11.1		1.9	4.4	0.2	1,125	4.3	9.6		10,302
Jamaica	68.6	43.4	33.4	7.6	1.0	18.8	-100	0.7	84.7	••	19,151
Japan	30.4	6.4	••	0.5	1.7	0.0	270	1.6	1.2	46	3,734
Jordan	121.3	43.5	8.9	11.6	0.3	21.7	130	41.1	7.4	32	164
Kazakhstan	76.8	14.5	26.2	9.7	3.1	0.2	-200	16.5	1.2	47	129
Kenya	54.0	17.2	0.0	3.0	0.1	6.6 <sup>b</sup>	25	1.0	38.5	3	9
Korea, Dem. Rep.			••				0	0.2			
Korea, Rep.	/5.1	15.1	••	0.2	1.6	0.1	-80	1.1	7.5	29	1,027
Kurguz Republic	70.7	20.3		0.1	12.2	 10.1	204 _75	5.6	7.1		871 117
Lao PDR	48.4	8.6	5.3	7.9	0.0	0.0b	-115	0.4	37.2	7	32
Latvia	86.9	23.5	7.8	8.3	1.2	2.0	-20	19.5	8.5	67	3.537
Lebanon	65.0	92.4	11.8	11.7	-1.0	23.7	0	16.4	43.8	279	227
Lesotho	158.4	11.7	1.2	8.1	••	27.7	-36	0.3	4.1	18	2
Liberia	92.9	216.4	158.1	17.9	0.0	8.8	-119	1.5	44.3	••	
Libya	91.1	4.7	0.2	8.0	1.3	0.0 <sup>b</sup>	10	10.4	4.3	66	50
Lithuania	107.9	19.4	5.3	5.3	1.6	3.7	-30	4.8	8.3	54	4,656
Macedonia, FYR	111.9	18.5	0.5	4.2	0.0	3.5 <sup>0</sup>	-10	6.0	29.4	125	17
Madagascar	51.2	22.1	5.7	13.5		0.1 <sup>0</sup>	-5	0.3	(.(	1	8
Malavsia	00.0 173 1	 30 1	7.0	1.5	 5 9	0.0° 1.0 <sup>b</sup>	-30	2.1	20.9	••	C 008
Mali	54.4	16.8	2.6	4.5 5.2	0.0	1.0 3.1 <sup>b</sup>	-134	0.4	14.7		17
Mauritania	114.2		0.0	5.8		0.1 <sup>b</sup>	30	2.2	8.5	5	70
Mauritius	90.3	55.3	16.2	5.0	0.9	3.2 <sup>b</sup>	0	1.7	55.8	125	226
Mexico	55.6	4.1	4.3	2.4	0.8	2.7 <sup>b</sup>	-3,983	0.6	15.5	185	178
Moldova	114.5	29.1	0.0	11.2	0.3	34.1	-250	11.4	4.1	149	931
Mongolia	101.9	32.2	1.9	8.3		4.9 <sup>b</sup>	-50	0.4	7.4	5	116
Morocco	61.7	23.4	4.1	3.7	0.8	9.0	-550	0.4	18.0	22	814
Mozambique	77.0	16.9	11.0	5.5	0.0	1.3	-20	2.0	22.5	13	3
Myanmar						°	-99	0.2	3.9	••	2
Nenal	36.8	12.9	0.0	0.1	0.0	16.8	-100	7.1 3.0	3.4 4 0		∠ <i>1</i> 5
Netherlands	136.2	23.7		16.1	 3.5	0.3	110	10.0	9.5		78.159
New Zealand	42.7	13.5		2.0	2.1	0.5	102	15.5	21.8	310	4,544
Nicaragua	83.5	16.2	0.0	6.7	0.0	12.9	-210	0.5	30.2	65	144
Niger	40.8	11.7	0.0	0.6	0.0	1.9	-28	0.9	5.4	••	2
Nigeria	57.4	9.5	4.3	3.7	0.3	5.6 <sup>b</sup>	-170	0.7	10.5	••	5
Norway	55.8	20.7		1.0	3.2	0.2	84	7.4	6.2	193	26,904
Oman	91.3	13.4	6.6	4.5	0.9	0.1	-150	25.0	0.4	37	142
Pakistan	35.3	8.8	1.7	3.7	0.1	4.2	-1,239	2.1	12.7	10	44
Panama Danua Now Cuinca	41.2	36.1	15.3	9.8	0.0	0.9	8	3.2	16./	66	15,977
Paraguay	121.1	29.9 10.8	13.2	1.5	0.1	U.2~ 2 Q	U _15	0.4 2 Q	∠1.ठ २ २	 25	162
Peru	44 9	7 1	3.1	5.0	0.1	2.0	-40	2.9 0.2	5.8	99	2 704
Philippines	75.3	11.0	6.3	2.0	 2.4	11.3	-900	0.4	13.5		114
Poland	71.4	12.5	2.1	5.4	1.2	2.5	-200	1.8	14.2		2,748
Portugal	58.2	16.7	••	2.5	2.8	1.8	276	7.2	18.9	178	4,790
Puerto Rico	••	••			••		-10	10.7			511

## **6.1** Integration with the global economy

	Trade		International finance				1	Novement of	Communication		
				% o	f GDP						
			Financing through international capital	Foreig	n direct	Workers' remittances and		International	Emigration of people with tertiary education to OECD countries	International voice	International Internet bandwidth <sup>a</sup>
	% of GDP		markets	investment		compensation	Not migration	migrant stock	% of population age	traffica	bits per
	Merchandis	e Services	inflows	inflows	outflows	received	thousands	population	tertiary education	per person	per capita
	2007	2007	2007	2007	2007	2007	2000-05	2005	2000	2007	2007
Romania	66.4	12.4	1.0	5.7	0.0	5.1	-270	0.6	11.2	41	2.945
Russian Federation	44.8	7.6	12.2	4.3	3.6	0.3	917	8.4	1.4		573
Rwanda	27.4	13.5	0.4	2.0	-0.4	1.5	43	1.3	26.3	11	16
Saudi Arabia	85.0	10.1		-2.1	0.0		285	27.5	0.9	216	510
Senegal	55.1	17.7	0.6	0.7	0.1	8.3 <sup>b</sup>	-100	2.8	17.1	26	137
Serbia	67.7		0.0	7.8		12.2 <sup>b,c</sup>	-339	6.4 <sup>c</sup>	14.6 <sup>c</sup>	144	2,861
Sierra Leone	41.4	8.2	0.0	5.7	-0.6	8.9	472	2.1	49.2	••	••
Singapore	348.6	88.2		15.0	7.6		200	43.2	14.5	1,531	22,783
Slovak Republic	157.9	18.1	3.8	4.5	0.5	2.0	3	2.3	14.3	97	5,555
Siovenia	130.5	20.9	••	3.1	3.3	0.6	100	8.4	10.9	92	6,720
South Africa	 56.8	 10.7			 1 3		75	3.4 2.4	54.5 7 /	••	71
Snain	42.7	15.9	9.9	2.0 4.2	8.9	0.3	2 846	11.0	4 2	••	11 008
Sri Lanka	58.9	13.3	 3.4	1.9	0.2	7.8	-442	1.9	28.2	 34	118
Sudan	38.2	7.2	0.3	5.2	0.0	3.8	-532	1.7	6.8	7	345
Swaziland	176.3	33.2	0.0	1.3	0.8	3.5	-6	4.0	5.3		1
Sweden	70.5	24.6		2.7	6.3	0.2	152	12.4	4.5		49,828
Switzerland	78.5	23.5		11.7	11.9	0.5	100	22.3	9.5	••	29,417
Syrian Arab Republic	69.4	16.3	0.0	1.8	0.0	2.2 <sup>b</sup>	200	5.2	6.1	79	53
Tajikistan	105.7	20.0	0.0	9.7	0.0	45.5	-345	4.7	0.6	••	0
Tanzania	45.5	19.7	0.5	4.0	0.0	0.1	-345	2.1	12.1	0	3
Thailand	119.8	28.0	1.1	3.9	0.9	0.7	231	1.7	2.2	14	346
Timor-Leste			0.0			 	100	0.6	16.5	18	9
Togo Triaida d and Tabarta	85.2	23.2	0.0	2.8	-0.6	9.2 <sup>0</sup>	-4	2.9	16.3	5	4
	108.0	9.5	0.1		-2.3	0.45	-20	2.8	10.4	 70	202
Turkov	97.1 10.2	22.0	1.0 5.5	4.0 2.4	0.3	4.9	-29	1 9	12.4 5.9	73 20	1 201
Turkmenistan	103 5	0.7	0.0	6.2	0.3	0.2	-30	1.0	0.4	30	1,301
Uganda	43.2		10.1	4.1	0.0	7.2	-5	1.8	36.0	7	11
Ukraine	77.9	18.3	9.6	7.0	0.5	3.2	-173	14.5	4.3	57	206
United Arab Emirates	150.4			••			577	78.3	0.7		2,785
United Kingdom	38.1	17.5	••	7.1	9.9	0.3	948	9.0	17.1	••	39,650
United States	23.1	6.3		1.7	2.4	0.0	6,493	13.0	0.5		11,277
Uruguay	44.1	13.0	5.9	3.8	0.0	0.4	-104	2.5	9.0	127	903
Uzbekistan	57.7		0.0	1.2			-300	4.8	0.8	12	9
Venezuela, RB	50.5	4.0	5.2	0.3	1.0	0.1	40	3.8	3.8	••	628
Vietnam	159.1	18.9	8.5	9.8	0.2	8.0 <sup>0</sup>	-200	0.0	26.9	••	148
West Bank and Gaza			0.0			14.9 <sup>5</sup>	11	48.5	12.0	••	324
Zambia	01.3 75.6	10.5	0.4	4.1 8.7	0.0	0.5	_82	2.3	16.0	••	28
Zimbabwe	122.0	10.5	0.0	3.0	0.0	0.5	-75	3.9	13.1	 21	
World	51.0 w	12.0 w	W	4.0 w	4.3 w	0.7 w	<sup>d</sup> s	3.0 w	5.4 w	w	3.297 w
Low income	62.6	12.5	3.3	4.2	0.1	5.7	-2,858	1.7	12.8		26
Middle income	55.9	9.6	5.0	3.7	1.1	1.8	-15,770	1.3	6.7		389
Lower middle income	59.6	10.6	3.2	3.5	0.6	2.4	-11,295	0.8	6.6	••	199
Upper middle income	52.0	8.8	6.8	3.9	1.5	1.2	-4,475	3.6	6.8	••	1,185
Low & middle income	56.2	9.8	4.9	3.7	1.1	2.0	-18,629	1.4	7.2		318
East Asia & Pacific	75.3	10.4	3.2	4.1	0.9	1.5	-3,847	0.2	7.0	9	247
Europe & Central Asia	56.6	10.4	8.3	5.0	1.9	1.6	-1,798	6.8	4.4	••	1,114
Latin America & Carib.	41.2	6.0	4.5	3.0	0.7	1.8	-6,811	1.0	10.6	••	1,126
Middle East & N. Africa	57.5		1.9	3.7		3.7	-2,618	3.0	10.4	32	186
South Asia	32.7	14.0	4.6	2.1	0.9	3.6	-2,484	0.8	5.3	••	31
Sup-Sanaran Africa	59.7	10.7	5./	3.4	0.7	2.5	-1,070	2.1	12.3	••	36
Furo area	49.1	17.0		4.1	2.2 Q /I	0.2	10,022 6 9 9 7	11.2 Q F	3.9 6.0	••	10,242
	51.0	±۱۰۲	••	0.0	0.4	0.0	0,001	3.5	0.0	••	52,500

a. Data are from the International Telecommunication Union's (ITU) World Telecommunication Development Report database. Please cite the ITU for third-party use of these data. b. World Bank estimates. c. Includes Montenegro. d. World totals computed by the United Nations sum to zero, but because the aggregates shown here refer to World Bank definitions, regional and income group totals do not equal zero.

### About the data

Globalization-the integration of the world economy-has been a persistent theme of the past quarter century. Growth of cross-border economic activity has changed the structure of economies and the political and social organization of countries. Not all effects of globalization can be measured directly. But the scope and pace of change can be monitored along four key dimensions: trade in goods and services, financial flows, movement of people, and communication.

Trade data are based on gross flows that capture the two-way flow of goods and services. In conventional balance of payments accounting, exports are recorded as a credit and imports as a debit. See tables 4.4 and 4.5 for data on the main trade components of merchandise trade and tables 4.6 and 4.7 for the same data on services trade.

Financing through international capital markets includes gross bond issuance, bank lending, and new equity placement as reported by Dealogic, a company specializing in the investment banking industry. In financial accounting inward investment is a credit and outward investment a debit. Gross flow is a better measure of integration than net flow because gross flow shows the total value of financial transactions over a period, while net flow is the sum of credits and debits and represents a balance in which many transactions are canceled out. Components of financing through international capital markets are reported in U.S. dollars by market sources.

Foreign direct investment (FDI) includes equity investment, reinvested earnings, and short- and long-term loans between parent firms and foreign affiliates. Distinguished from other kinds of international investment, FDI establishes a lasting interest in or effective management control over an enterprise in another country. FDI may be understated in many developing countries because some countries fail to report reinvested earnings and because the

### Estimating the global emigrant stock

definition of long-term loans differs across countries. However, the quality and coverage of the data are improving as a result of continuous efforts by international and national statistics agencies. See About the data for table 6.11 for more information.

Workers' remittances are current private transfers from migrant workers resident in the host country for more than a year, irrespective of their immigration status, to recipients in their country of origin. Compensation of employees is the income of migrants who have lived in the host country for less than a year. Migration has increased in importance, now accounting for a substantial part of global integration. The estimates of the international migrant stock are derived from data on foreign-born populationpeople who reside in one country but were born in another-mainly from population censuses. See About the data and Definitions for table 6.17 for more information. One negative effect of migration is "brain drain"-emigration of highly educated people. The table shows data on emigration of people with tertiary education, drawn from Docquier, Marfouk, and Lowell (2007). The study analyzes skilled migration using data from censuses and registers of Organisation for Economic Development and Cooperation (OECD) countries and provides data disaggregated by gender for 1990 and 2000.

Well developed communications infrastructure attracts investments and allows investors to capitalize on benefits offered by the digital age. See About the data for tables 5.10 and 5.11 for more information

### Definitions

• Trade in merchandise is the sum of merchandise exports and imports. • Trade in services is the sum of services exports and imports. • Financing through international capital markets is the sum of the absolute values of new bond issuance,

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syndicated bank lending, and new equity placements. . Foreign direct investment net inflows are net inflows of FDI in the reporting economy. FDI is the sum of equity capital, reinvestment of earnings, and other short- and long-term capital. • Foreign direct investment net outflows are net outflows of investment from the reporting economy to the rest of the world. • Workers' remittances and compensation of employees received are current transfers by migrant workers and wages and salaries of nonresident workers. • Net migration is the total number of immigrants minus the total number of emigrants, including citizens and noncitizens, for the five-year period. • International migrant stock is the number of people born in a country other than that in which they live, including refugees. • Emigration of people with tertiary education to OECD countries is the stock of emigrants ages 25 and older, residing in an OECD country other than that in which they were born, with at least one year of tertiary education. • International voice traffic is the sum of international incoming and outgoing telephone traffic (in minutes) divided by total population. • International Internet bandwidth is the contracted capacity of international connections between countries for transmitting Internet traffic.

GLOBAL LINK

### Data sources

Data on merchandise trade are from the World Trade Organization's Annual Report. Data on trade in services are from the International Monetary Fund's (IMF) Balance of Payments database. Data on international capital market financing are based on data reported by Dealogic. Data on FDI are based on balance of payments data reported by the IMF, supplemented by staff estimates using data reported by the United Nations Conference on Trade and Development and official national sources. Data on workers' remittances are World Bank staff estimates based on IMF balance of payments data. Data on net migration are from the United Nations Population Division's World Population Prospects: The 2006 Revision. Data on international migrant stock are from the United Nations Population Division's Trends in Total Migrant Stock: The 2005 Revision. Data on emigration of people with tertiary education are from Frédéric Docquier, Abdeslam Marfouk, and B. Lindsay Lowell's, "A Gendered Assessment of the Brain Drain" (2007). Data on international voice traffic and international Internet bandwidth are from the International Telecommunication Union's International Development Report database.

Internationally comparable estimates of migrant stock by country of origin are vital for making policies on

international migration. The World Bank's Development Research Group and the United Nations Population Division's Department of Economic and Social Affairs are developing estimates of international migrants by country of origin. They have created the Global Migration database, which contains all publicly available data on international migrants, classified by age, sex, place of birth, and country of citizenship enumerated by censuses, population registers, and surveys. Available at www.unmigration.org, the database uses many sources of data, including the United Nations Statistics Division, the United Nations Population Division, and the World Bank's Development Research Group, in collaboration with the University of Nottingham and the University of Sussex. The next step is to develop an appropriate methodology for estimating the emigrant stock for each country at specific points in time.