

**Economic Growth and Integration of Small States
to the World Economy**

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Overview

Reasons for this project

- ***Forty-seven members of the World Bank are small states.*** This fact is sufficient to attract attention on them as a group; but, organizational structures and budget limitations within the Bank imply that differences of, and among, small states are seldom recognized.
- ***There is no consensus on what is special about small states.*** Some argue that nothing is special; others claim that size matters; yet others suggest that isolation is what matters the most. Refocusing the discussion from ‘size disadvantages’ to economic integration may help develop a unified approach to think about development problems in these countries.
- ***The external environment towards small states has changed in recent years.*** Some of these changes have adversely affected small states (erosion of trade preferences, regulation of financial and off-shore centers); others have helped them (reduction in transport costs, telecommunications, outsourcing).
- ***The experience of small states provides considerable material on the diverse role of policies and institutions on development.*** Studying this may also help shed light on development issues in larger states.

A key underlying concept

- ***A key concept in this proposal is “economic integration” which is much broader than trade integration.*** It also encompasses migration, cross-country capital flows, and cross-country sharing of institutions and infrastructure.
- ***The proposal suggests that economic integration matters, not size.*** Neither size nor geography can be changed, but integration can help overcome size and distance disadvantages.
- ***But economic integration often requires overcoming isolation.*** Isolation may be originated in diverse factors: the country’s geographic location, culture, political instability, and policies.
- ***Focusing on integration does not diminish the importance of all the other factors that influence growth.*** Policies, institutions, and circumstances that influence the accumulation of factors of production and their efficient use obviously remain important in small states just as they do in large ones.

Thematic Areas for Study

- ***Why did growth slow in the 1990s?*** This slowdown is important because in the past small states were relatively strong performers. What has caused the slowdown? Is the slowdown temporary or permanent?
- ***How can small states offset their size-disadvantage by deepening their integration with the global economy?*** Through trading with the rest of the world; joining regional and bilateral agreements to reduce the per capita cost of infrastructure and production of public goods; facilitating migration and foreign direct investment; and, lately, by exploiting a growing market for outsourcing. But these options may not be enough in some cases and migration and transfers may be required to support higher living standards.

Activities proposed

- ***A series of reports analyzing: Why has economic growth in small states slowed in the 1990s? Special reports on Africa, the Caribbean, Europe and the Pacific Islands.***
- ***A series of case studies analyzing:***
- ***Regional seminars and a conference reviewing overall results.***
- ***A synthesis volume summarizing the findings.***

Introduction

This concept note proposes a series of studies analyzing the economic growth of small states. Small states are defined as sovereign countries with populations below 2 million inhabitants. The number of these countries increased rapidly following decolonization after 1945 (see Table A.1), and there have always been questions about the implications of their size on growth and incomes. The population threshold selected is somewhat arbitrary and only posited to facilitate presentation of stylized facts.

Small states may be a small part of the world's population, but they still deserve serious study. There are many reasons why this is the case. For instance, 28 of them are members of the Commonwealth. Small states are a category of country that is rising rapidly, a trend that may continue into the next decades (see Alesina, Spolaore and Wacziarg, 2000, 2005, and Bolton and Roland, 1997).

The characteristics of small country economies are well known. They usually specialize in production; they experience volatile rates of growth of GDP and consumption; they enjoy low barriers to trade; and the share of government consumption in GDP is invariably high. They do not, as a group, have low incomes or lower than average growth rates. In addition, small states are 'young' (of the 43 reported in Table A.1, 41 were founded after 1961 and 27 after 1970), a fact that may have implications for the functioning of their institutions and on productivity.

Some small states are also rather isolated from the main markets in the world. Isolation may be originated in diverse factors: their geographic location, culture (language, race and other cultural differences), political instability, and domestic policies.

There have been some adverse changes in the external environment towards small states. For instance: erosion of trade preferences, changes in international treatment of financial and off-shore centers and decline in overall development assistance. While the impact of these adverse changes has been in part mitigated by positive developments, such as the expansion of outsourcing and world trade flows, the overall impact of external forces is uncertain.

There is no consensus, however, on whether small states are disadvantaged from their size alone. Easterly and Kraay (1999) show that if there is a small size disadvantage it does not show up in lower per capita incomes or lower rates of economic growth; Briguglio (1995), the Commonwealth Secretariat-World Bank Report (2000) and others claim that smallness does bring with it some disadvantages. Winters and Martins (2004) argue that small and remote economies may be inherently uncompetitive.

The studies proposed in this project intend to deepen understanding on:

- Why did growth in small states economies slow in the 1990s?; and
- The many ways (*solutions*) in which small states reduce per unit costs of public goods, physical and social infrastructure services.

Economic growth of small states in the 1990s. In the 1990s, the median rate of economic growth of small states was below that of low- and middle-income countries; in addition, the median rate of growth fell between 1991-1995 and 1996-2003, even though it accelerated in low- and middle income countries. The decline in the relative rate of growth of small states is important because in previous decades small states had rates of growth equal to or higher than that of low- and middle-income countries. It is unclear why relative growth declined and whether this decline is transitory or permanent.

The expansion of world trade has reduced the importance of domestic market size and facilitated a rapid increase in the number of independent countries in the past six decades (Alesina, Spolaore and Wacziarg, 2000, 2005). At the same time, their relatively short post-colonial status has meant that services formerly provided through colonial institutions are now supplied by fledgling national institutions. For instance, transactions formerly executed within the institutional boundaries of a single banking system must now be transacted in different currencies, banking supervision regimes, laws and regulations.

The solutions to these challenges have varied considerably. They include adhering to regional or bilateral agreements on defense; sharing judges with neighboring countries or services from a regional education center (for example, the University of the West Indies); and making use of new technology that reduces the cost of communications to produce services for large markets (outsourcing). Studying the environment that has made these *solutions* viable can even help us understand the intricacies of how institutions can be created in other development contexts.

The approach we suggest, therefore, refocuses the discussion from the importance of size and geographic considerations, which is traditional in the literature (Briguglio, 1995, Commonwealth Secretariat 1997, 1999), to the *integration* of these economies with their neighbors or with the rest of the world.¹

The term *economic integration* used in this paper encompasses a much broader agenda than is commonly used in the literature. Economists usually identify integration with low trade barriers; this paper sees *economic integration* as encompassing also trade in factors of production (labor and capital), and cross-border sharing of infrastructure, institutions and government services.

Focusing on integration rather than on domestic market size has two advantages: it recognizes that the integration of small states with the world economy is essentially the same as the integration of regional economies with a national economy. It also helps focus on the obstacles to economic integration and on *solutions* to overcome these obstacles.

¹ The approach follows insights presented in a series of papers by Alesina, Spolaore and Wacziarg (2000, 2005) and Alesina and Spolaore, 2003. For similar insights see also the Report of the Commonwealth Secretariat/World Bank Joint Task Force on Small States: Small States: Meeting Challenges in the Global Economy, 2000.

The first section examines the characteristics of small states. The second reviews the literature on small states and discusses the proposed approach. The third presents the issues to be examined and activities proposed. The fourth discusses partnerships, deliverables, dissemination strategy and timetable. Three appendices present the number of small states members of The World Bank, statistical facts, and preliminary econometric results.

Small States and their Characteristics

Definition of small states. A threshold of 2 million citizens is conventionally considered the yardstick for defining small sovereign states. This threshold is used primarily to present stylized facts, however, and for all other purposes the size of countries can be ranked along a continuous scale. Sovereignty is important because it implies that the costs of providing services such as justice, security, and foreign affairs, are spread among a small number of citizens. To the extent there are indivisibilities in providing these public goods, small states have higher unit costs.

Using this definition, there are 47 small states that are members of the World Bank (see Table A.1²). The World Development Indicators (WDI) database has partial information on about 40 of these countries. They range in population size from St. Kitts and Nevis (47 thousand) to Namibia (2 million).

There are two main reasons for using population (rather than territory or GDP) as a scaling criterion. First, population is highly correlated with a territory's size, so it highlights the limited resources of small states. Second, population is more homogeneous than territory, so it makes cross-country comparisons more meaningful. Third, while using GDP as a scaling criterion would highlight constraints on exploiting economies of scale, it complicates the selection of a threshold to differentiate between small and larger states. In addition, it would bias the sample selection away from high-income states, thus depriving the study of examples of countries that have been successful in overcoming size disadvantages (Michael and Papageorgiou, 1998).

Economic characteristics of small states. Small states have per capita incomes and an average growth performance similar to large states. Their per capita income ranges from very poor African countries (Guinea-Bissau, with real purchasing power parity-adjusted per capita GDP of about \$810) to wealthier Estonia (with a per capita income of \$10,100), oil-rich Bahrain (\$15,500), or Luxembourg (\$50,000).³

In the 1990s, the average rate of growth of GDP in small states was lower than the average for low- and middle-income countries (see Table C.2). Moreover, the median rate of growth fell between 1991-1995 and 1996-2003 while it climbed in low- and middle-income countries.

² All the following tables are included in Appendix C.

³ WDI, year 2000.

Compared to large states, small states have significantly higher volatility of income (see Table 1)-- defined as the standard deviation of the per capita GDP growth rate. In the 1990s volatility (see Table C.11) was about constant and higher than in low- and middle-income countries.

Table 1: Selected Indicators: Small states, Low- and Middle Income Countries (1981-2003)

	<u>Fiscal burden</u>	<u>Trade share</u>	<u>Growth volatility</u>	<u>Remittances</u>
	Gov't consumption & expenditure (% of GDP)	Sum of EXP & IM of goods & services (% of GDP)	Standard deviation of the growth rate of GDP per capita	Workers' remittances & compensation (% of GDP)
Small states (median)	20.2	113.6	3.9	2.5
Low income countries	11.8	32.0	1.4	1.4
Middle income countri	13.8	46.2	1.5	1.5

Source: 2005 Global Development Finance, The World Bank

Small states are more open to trade in goods and services than large states (see Tables 1, C.3. and C.4). The median trade share (the ratio of exports plus imports to GDP) was 109.3 percent in 1991-1995 and 111.5 percent in 1996-2003. At the same time the average trade share for low- and middle-income countries were 33.8 and 48.3 percent respectively in 1991-1995 and 40.8 and 57.9 percent respectively in 1996-2003.

Small states are more open to trade in factors of production than large states. Three indicators of this openness are: the share of worker's remittances to GDP; the variance of the ratio Gross National Income (GNI) to GDP; and the ratio of foreign direct investment to GDP.

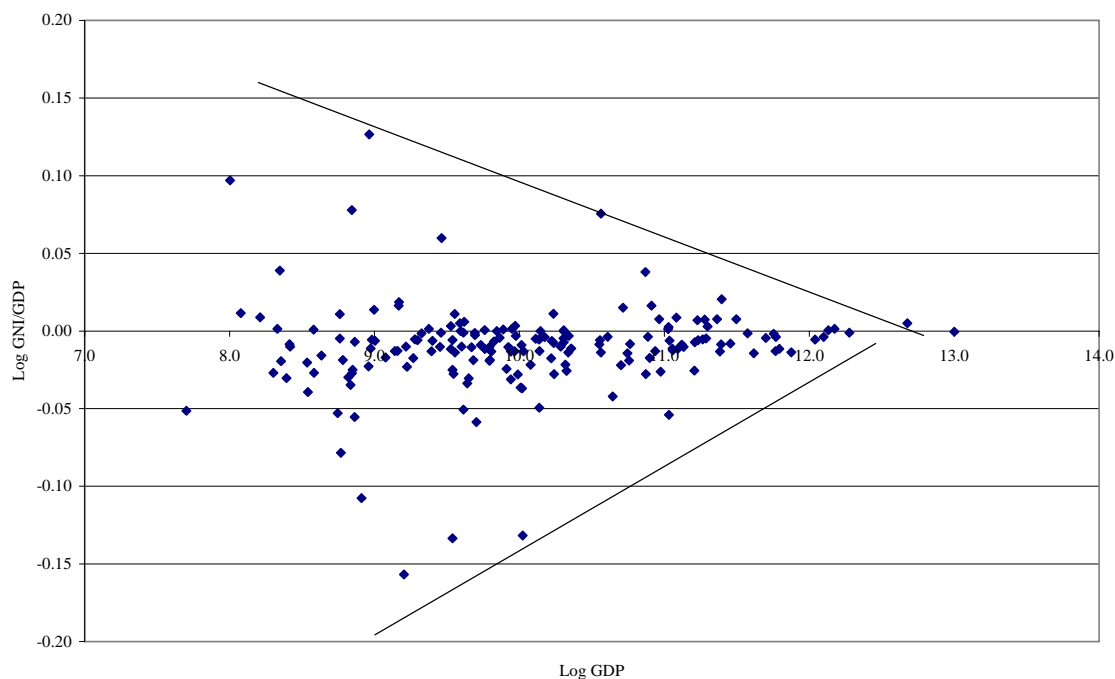
First, the median share of worker's remittances as a percentage of GDP was 1.9 percent in 1991-1995 and 2.1 percent in 1996-2003, above average levels in middle-income countries (see Table C.7).⁴

Second, the variance of the ratio GNI/GDP falls as the size of the economy increases. Figure 1 portrays the logarithm of the ratio GNI to GDP against the logarithm of the GDP. A GNI/GDP ratio higher than unity indicates that the country has net claims to income from the rest of the world; a ratio lower than unity indicates that part of the income produced in the country is owned by non-residents. As expected, the variance of the ratio GNI/GDP falls as population increases.⁵

⁴ The median share of worker's remittances in small states was above the LIC average, 1.7 percent, in 1991-1995, and below it, 2.7 percent, in 1996-2003.

⁵ The graph says that the smaller the economy the more likely it is to find differences between its GNI and GDP. For instance, the GDP of Washington DC is much higher than its GNI because a large part of the workers and employees of DC live outside the city. In turn, many of the small towns within a short radius of DC house people that move every day to work in the city, therefore the GDP generated within these

Figure 1: Log GNI/GDP vs Log GDP



Finally, Tables C.12 and C.13 show that the share of net and gross foreign direct investment flows in GDP is higher in small states than in low- and middle-income states. The share of government production of goods and services in the economy is higher in small states than in larger states (see Figure 2). The median share of government consumption expenditure in GDP was 21 percent in 1996-2003 versus 12 percent in low- and 15 percent in middle-income countries (see Table C.5). This result has been interpreted by Alessina and Wacziarg, 1998 as indicative of higher per capita cost of production of public goods and services.⁶

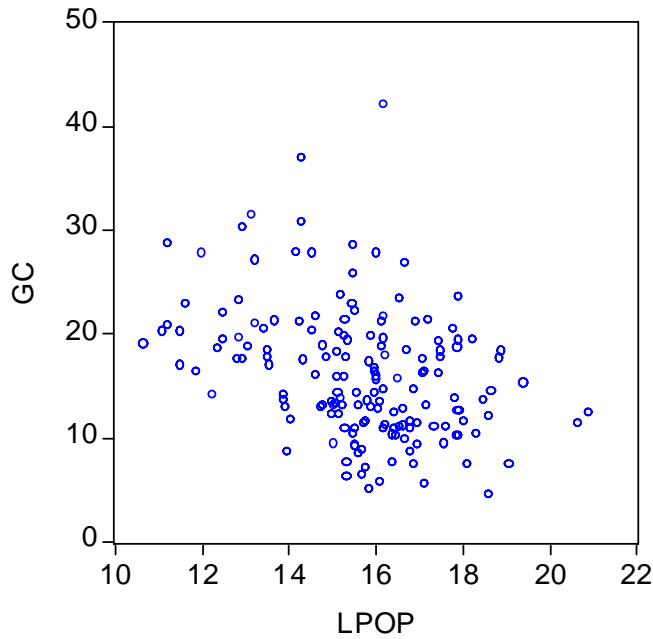
counties is small, usually reduced to some services, but the GNI is high because it includes the 'remittances' from work produced in Washington DC.

The larger the unit of measurement adopted, for instances states within the US rather than counties, the lower will be the dispersion of the GNI/GDP ratio. At the extreme if I look at the US or any other large country in the world economy the ratio GNI/GDP should be close to one. Following this logic the *dispersion* of the ratio GNI to GDP should be negatively correlated with the size of the economy.

⁶ Rodrik (1998) interprets the higher share of government consumption in GDP as a response to mitigate the higher volatility of production.

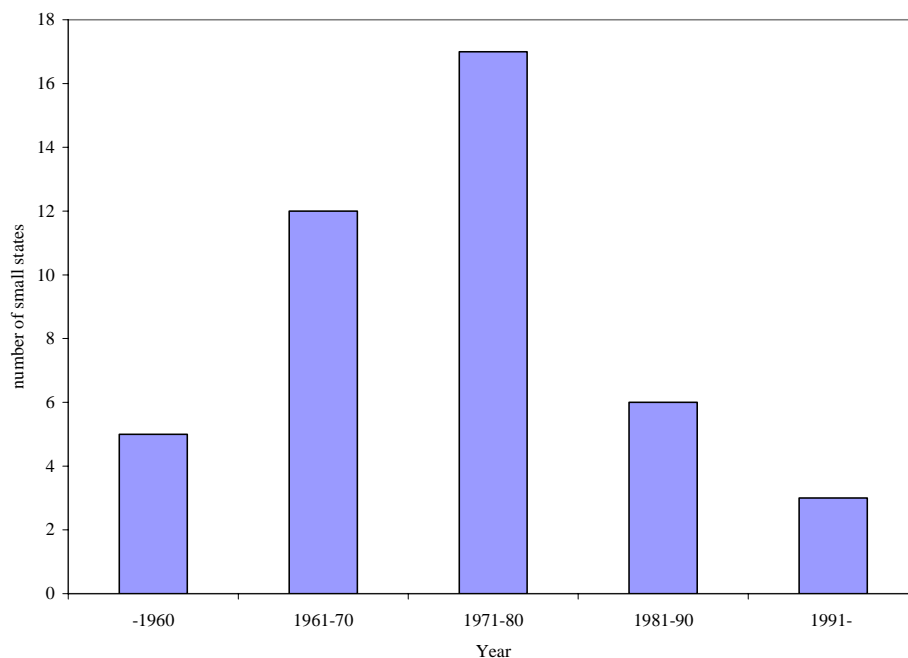
Figure 2

RATIO GOVERNMENT CONSUMPTION TO GDP
AND LOGARITHM OF POPULATION



Institutional characteristics of small states. The vast majority of small states are very young; most achieved their independence in the past fifty years (see Figure 3). Of the 47 included in Table A.1, 41 became independent after 1961, and 27 after 1970. The reason this is important is that independence has implied costs: small states have had to replace former colonial institutions with domestic institutions.

Figure 3 Small States: Year of Independence



Econometric results. Appendix B presents statistical evidence on correlation between GDP, standard deviation of the rate of growth and population size after allowing for some controls (life expectancy at the beginning of the period, average openness to trade, inflation and size of the government during the period). The sample encompasses 112 countries between 1960 and 2000.

The results indicate that there is no statistically observable relationship between per capita income and the size of the domestic market after controlling for per capita income at the beginning of the period, openness, life expectancy at the beginning of the period, and average inflation.

But there is a negative and statistically significant relationship between the standard deviation of the rate of growth of GDP and population after controlling for per capita income at the beginning of the period, openness, average inflation, whether the country is an oil exporter or not, and the share of government consumption in GDP. Larger countries benefit from less volatile economic growth rates than smaller countries do (see Table B.1 and the summary text describing the statistical procedure).

The Literature on Small States and the Proposed Approach

The literature on small states. The main reason a small domestic market may be disadvantageous is that it limits the capacity to exploit economies of scale and to diversify risk against exogenous shocks. There is evidence that the provision of public services may be subject to indivisibilities that lead to increasing returns to scale: Alesina and Wacziarg, 1998, Kuznetz, 1960. In addition the production of knowledge may have fixed costs, and there may be little room for technology spillovers. Thus, it has also been suggested that, *ceteris paribus*, small sized economies are likely to experience lower economic growth: Romer, 1986, 1990, Ales and Glaeser, 1999.

The recent empirical literature on industrial organization provides evidence that demand considerations matter to productivity, Syverson, 2004, Campbell and Hopenhayn, 2003. This may be relevant to understand the implications of a small domestic market on productivity. Consumers located in larger markets can substitute the output of one supplier for another; therefore large productivity differences among suppliers cannot be sustained; in contrast, consumers of non-tradable goods and services in small states may find it more difficult to substitute an inefficient supplier.

A limited capacity to exploit economies of scale does not necessarily imply lower per capita income or slower economic growth, however, Easterly and Kraay, 2000. If small states have a richer per capita endowment of natural resources than larger states, it may offset size disadvantages – as in oil-abundant small states. And they could benefit from externalities afforded by the markets of close neighbors that compensate for size disadvantages (Luxembourg being a good example) Alesina et al., 2005.⁷

Small states with open economies can circumvent their size disadvantage by specializing in the production of a narrow range of goods and services while importing other goods from the rest of the world. But the possibility of high transport costs resulting in autarky cannot be ruled out for some remote low population states, Winters and Martins, 2004.

Recently, Alesina, Spolaore and Wacziarg (2000, 2005) have clarified the impact of economic integration on country size.⁸ Their work provides a plausible explanation of how the expansion of world trade in the last fifty years has reduced the cost of being a sovereign state.

The importance of size on volatility has been noticed by several analysts: Alesina and Wacziarg, 1998, Rodrik, 1998, Easterly and Kraay, 2000, and Auffret, 2002, but the origin of this volatility is not fully understood. Small size limits the capacity to diversify risk. In large countries, adverse events peculiar to one region can be smoothed by pooling risk at a national level. In small states, adverse events are usually common to all

⁷ The ‘favorable’ neighbor externality effect is often augmented through small states’ adoption of special tax and regulatory regimes. As a result of these tax and regulatory regimes several small states have develop off-shore financial centers.

⁸ See also Shift and Winters (2003).

the population, and the feasibility of insurance within the local economy is more limited (see also Lewis, 1999).

International financial institutions have produced in recent years several reports on the problems of small states and policies that adapt to their especial circumstances. Among the most recent, the following are the most insightful: “*Small States: Meeting Challenges in the Global Economy*”, (Commonwealth Secretariat-World Bank Task Force, 2000); and “*Toward an Outward-Oriented Development Strategy for Small States: Issues, Opportunities, and Resilience Building*” (Briguglio, Persaud and Stern, 2005).⁹

The proposed Approach. Research by Alesina, Spolaore and Wacziarg, 2005 suggests that economic integration—taken in the broad sense used in this paper—rather than size is at the heart of small states’ economic performance.

Expansion of world trade in the last half century has reduced the relevance of domestic market size on economic efficiency and thus has reduced the cost of political independence. But political independence often implied that the new countries had to develop institutions providing basic government services such as security, well defined property rights, and a stable economic environment—replacing those formerly provided by the colonial powers. And the transition from former colonial institutions to new domestic institutions has not been automatic or easy. In fact, the power vacuum created has contributed in many cases to protracted problems.

Higher labor and capital mobility across international borders has also increased the opportunities of countries that would not have been viable in the past. But factor mobility has created new challenges. For instance, international capital flows have facilitated the flow of scarce capital towards developing states. In part, these capital flows have been in the form of foreign currency denominated loans to firms located in small- and other developing states. An unintended consequence of these financial developments has been that the function of lender of last resort, traditionally exercised by the monetary authorities, has been severely eroded. This has implied that sudden shifts in the supply of capital towards these countries have resulted in major economic booms and busts.

A working hypothesis is that productivity improvement in small states has been closely related to integration with the rest of the world. Integration in trade in goods and services has developed greatly in the past decades, but trade in factors of production and in services provided by institutions has been much less so. Small states that replaced former colonial institutions with domestic institutions *and* smoothly integrated with the rest of the world by trading in goods and services have reached high income levels: The Bahamas, and Barbados are cases in point. Small states that did not have a smooth institutional transition from colonial to domestic institutions and did not integrate with the rest of the world through trade have had much weaker economic performances.

⁹ See also Kose and Prasad, 2003.

Issues to be Examined and Activities Proposed

The proposed studies will focus on two areas, namely: why did economic growth in small states slow down in the 1990s vis-à-vis low- and middle-income countries? Secondly, The many ways through which small states integrate to the rest of the world via agreements with neighbor and other countries that de facto reduce the per unit cost of public goods, physical and social infrastructure.

The growth question will be addressed in regional studies and will set the context for the analysis of *solutions* to circumvent small domestic markets and isolation. A flagship volume will summarize the policy implications of the findings for each of the regions.

I. What explains the slowdown in growth in the 1990s? As noted earlier, in the 1990s, the rate of growth of small states was lower than in low- and middle-income countries. This is important because it represents a change vis-à-vis earlier periods. At this juncture there is no clear explanation why.

The proposal is to study the causes underlying the slowdown in growth in a separate paper for each of the following regions: Africa, Caribbean, Middle East and North Africa and the Pacific Islands. Each of the papers will study:

- What are the main differences between economic growth before and after the 1990s? What are the main changes in sector contribution to economic growth? What has prompted these changes? Has it been mainly external or domestic factors?
- The sources of growth (disentangle the role of factor accumulation and productivity changes in explaining growth);
- Indicators of the rate of return on investment and the pattern of investment.
- Productivity changes at the firm level. What has prompted these changes? Are they related to changes in competition?
- What is specific to growth in this group of countries? What are the main issues on productivity improvement in these activities?

The emphasis of these studies will be on understanding the reasons underlying productivity trends at the most disaggregate level as possible. While the scope and depth of the studies will be unquestionably limited by the quality of data available, the focus on constraints to productivity improvement at the level of the firm will help guide future efforts to understand the economy of these countries.

II. The many ways small states offset the disadvantages of small domestic markets
Over the past five decades small states have developed *solutions* to cope with their small

domestic size disadvantage. The core element of these ‘solutions’ is that they have broaden opportunities to trade in goods and services, factors of production, and public goods and institution services. This part of the project focuses on studying these *solutions*; the selection of the examples is influenced by information availability and the expectation that lessons may be of use in other regional contexts.

Trade in goods and services

High transport costs may seriously reduce trade opportunities for some small states; even so, in general, the small states’ trade share in GDP is larger, and the range of goods and services they trade internationally broader than in larger-states. For instance, Table 4 shows the trade share in GDP of 181 countries during 1991-1995 and 1996-2003; among the twenty percent of countries with highest trade share in GDP there are nineteen small states, among the twenty percent of countries with lowest trade share in GDP there is no small state.

Small states trade often in goods and services considered internationally non-tradable. For instance, they export financial- and import high technology medical services; they supply accounting and administrative services to companies located in other states (outsourcing), and enter in long term agreements to import (or export) physical infrastructure services produced by investments who would not be economically viable if designed to supply their small domestic market.

Trade in financial and other services. Because of favorable tax treatment and liberal regulation many small states are also important offshore financial centers. For instance, Djibouti and Seychelles in Africa, Luxembourg in Europe, Barbados and The Bahamas in the Caribbean, the Marshall Islands and Vanuatu in the Pacific and Bahrain in the Middle East are important regional financial centers.

Small states nestled among larger neighbors often find a ‘market niche’ in financial services by levying lower taxes and adopting more liberal regulations than their neighbors. The favorable tax-regulatory environment sometimes facilitates tax evasion and money-laundering activities but it does not have to be so; at the same time, it often provides breathing space to excessive regulation in neighbor countries.

Changes in the international political scene after September 11, 2001 have increased scrutiny of the transactions channeled through these offshore financial centers. In this context it is important to analyze what has been the response of offshore financial centers to these developments.

But trade in non-tradable services does not stop in financial activities, and often encourages imports rather than exports. For instance, high technology medicine and higher education services are frequently too costly to produce in small states; therefore they are ‘imported’ from larger countries.

Outsourcing. The dramatic fall in the cost of information and communications has made possible the arm’s-length supply of services with the supplier and buyer remaining in

their respective locations. Examples of this type of trade include the offshore provision of accounting, marketing, bookkeeping, and other services formerly produced within borders and often within the firm.¹⁰

While firms have been outsourcing some services for a long time the development of offshore outsourcing is relatively new. This has indeed been good news for many small states with language (and other) skills adequate to produce services demanded by firms located in developed countries. While this type of trade is in its infancy, it is very likely that it will develop substantially in the years to come. In that context it is important to ask what conditions (regulatory environment, physical infrastructure, human capital) may facilitate the development of arm's-length supply of services in small states?

Trade in physical infrastructure services. Investments in physical infrastructure often benefit from cooperation among neighbor countries. For instance, the design of a road that links neighbor countries can be improved if there is due consideration of demand for services from all parties. The exploitation of a new source of energy may not be economically viable if the demand is restricted to a small domestic market but may be very profitable if demand is expanded to include other countries in the region.

What makes this type of transaction interesting is that there are usually substantial sunk costs associated with the investment required to produce the services. If the sunk costs are incurred by a small state ahead of time there is an incentive for other states to behave opportunistically and try to renegotiate the terms of the initial agreement once the investment is finalized. If this risk is substantial the investment will not be done and both countries will loose. An interesting example of a contractual arrangement that provides incentives to cooperate to both partners is the agreement between Bhutan and India in the electricity sector (see box).

¹⁰ Bhagwati, Jagdish, Arvind Panagariya and T.N.Srinivasan (2005), "The Muddles over Outsourcing", forthcoming, Journal of Economic Perspectives.

Electricity Trade Between Bhutan and India. Bhutan is nestled between India and China in the North East of South Asia. Bhutan is rich in water falls which can be tapped to produce energy. At the same time, India has a rapidly growing demand for energy. Investment in hydro-electric dams in Bhutan could result in electricity exports to India. However, were Bhutan to invest in the required hydro infrastructure, it may run a risk of a change in energy policy in India, a type of problem frequently encountered whenever there is irreversible investment involved.

Bhutan and India have found an arrangement that reduces the probability of opportunistic behavior by one of the parties and fosters trade in electricity, a way to make the commitment of both parties to the exchange credible, to use the language of Oliver Williamson (Williamson, 1973). A simplified version of the arrangement is as follows: India provided a loan at a subsidized interest rate to Bhutan to finance the hydroelectric infrastructure. In addition India committed to purchase electricity produced by the hydro facility it financed at a *subsidized* price p' . The full price of electricity paid by India is equal to p' plus the per unit amount of the subsidy embedded in the loan agreement (call it h).

Define p as the price of energy that would make the net present value of the electric facility flow equal to the cost of initial investment. To the extent p' is determined so that $p' = p - h$ it is equivalent to pay for unit of electricity p or pay p' plus a subsidy that is equivalent to h per unit.

The incentives under the initial scheme, however, would be very different in each of these cases, in the former case there would be an incentive for India to renegotiate the contract once Bhutan built the hydro facility, in the latter case that incentive does not exist. The terms of the loan-cum-pricing scheme are such that they are equivalent to pre-paying part of the electricity bought.

This type of agreement is interesting because there are considerable transaction costs in bringing all parties to the negotiation to cooperate. This raises questions as to whether asymmetric power among parties helps develop these agreements or hampers them. An interesting example of coordination among parties of approximately the same size is the foundation of the University of West Indies (UWI) in the Caribbean (see box). Coordination helped found and maintain a high education institution in the region which would have been difficult to conceive in an alternative context. But the UWI was founded more than a decade before Caribbean countries became independent, which raises questions about how replicable would be the experience today.

Higher Education in the West Indies. Is it feasible for very small countries to support high-quality high-education institutions (or high-quality hospitals)? Or should countries pursue agreements to share the cost of developing such institutions?

The University of West Indies is an important example of sharing costs of developing a university system serving the countries of the Commonwealth Caribbean. It was founded in 1948, as a University College in a special relationship with the University of London, achieved independent status in 1962, and is today the region's premier educational institution supported by and serving fifteen different countries in the West Indies. The University has three main campuses, and centers in all of its non-campus Caribbean countries. In the absence of cooperation from all countries in the region availability of a high quality university in the sub-region would have been extremely difficult given the average size of countries in the region.

Trade in factor services

Migration. Development is characterized by rural to urban migration and agglomeration in urban areas where productivity is the highest. The same reality affects the dynamics of population and labor markets in small states. In fact, measured by the size of the share of wage remittances in GDP, the probability that a young worker born in a small state will move and work overseas over her lifetime is much higher in small- than in larger-states.

Migration does not only contribute to an efficient matching of worker-skills and job opportunities, it has also an impact on risk diversification. Highly educated and talented workers born in small states naturally gravitate towards migrating to larger states; pretty much as the same type of workers tend to migrate from small towns to urban areas within larger states. Migration is also an effective way for a household to diversify risk resulting from incomes coming from a highly uncertain source.

Migration is frequently the main way to adapt to strong changes in market conditions. World market conditions for sugar or bananas may change, or a formerly important military atoll may lose its strategic value; at the same time workers who have developed specific skills in these activities do not easily find alternative work opportunities within the small state. And they do not have the opportunity to move elsewhere. More flexible policies towards transitory or permanent migration of workers from small states may have more impact on the people of these countries than all the conceivable trade preferences granted by developed countries.

The importance of labor migration on the welfare of small state nationals has implications on a wide policy front: for instance, it highlights the importance of developing language skills that broaden working opportunities for small state nationals; and brings to the forefront the importance of designing pension systems that do not penalize labor mobility.

Trade in public goods and institution services. There are marked differences in the quality of public goods and institutions across countries. These differences impact directly the level of a country's per capita income through their effect on overall productivity and indirectly through the incentive to accumulate physical and human capital.

There is some understanding of which public goods and institutions are important to development but less understanding of how these institutions are built overtime and what agenda is to be followed when these institutions are weak or inexistent. It is a challenging and important development problem to identify shortcuts so that today's underdeveloped countries may not have to undergo the same slow developing process it took developed countries to reach their current high quality institutions and incomes.

One way to shortcut the process of development of high quality public goods and institution services is to 'import' them from developed countries. For instance:

- A secure environment may be acquired by joining a defense treaty with a more developed country or group of countries rather than developing a domestic defense force (as it is the case for most countries in the world).
- A stronger justice system may be obtained by an agreement with a more developed country (as it is the case with High Courts in some countries of the Caribbean).
- A more stable macroeconomic environment may be obtained by adopting the US dollar or the Euro as your currency (several cases in the world), and purchasing banking oversight and lender of last resort services from the Federal Reserve Bank or European Central Bank (no country I know of).
- A modern business environment may be mimicked ('imported') by granting status of special economic zone or export promotion zone (EPZ) to some activities in, or geographical areas of, the country. In these geographical areas the business and regulatory rules that apply are those of, say, London or New York rather than those prevailing in the rest of the territory.

Export promotion zones. An EPZ is an institutional arrangement that provides firms operating under its umbrella a different, preferential tax, customs and business regulatory status vis-à-vis other firms operating outside the zone (or the same firm operating for the domestic market). EPZs have been frequently created as a framework to attract foreign direct investment and expand exports to the rest of the world.

In general economists have been reluctant to recognize merits to this institutional mechanism on grounds that it is an inferior alternative to free trade and non-discriminatory commercial policy. This view has resulted from, perhaps, excessive attention to the tax preferences granted by the EPZ and little attention to the different institutional environment as a result of the EPZ. Changing the focus of attention to the institutional umbrella an EPZ provides increases the appeal of the instrument in some contexts.

For instance, a country in transition from central planning 'socialist' rules to market rules will often have a 'market institutions vacuum' that slows down the transition. Moreover, socialist laws and regulations in force are often an obstacle to business development. One development strategy to address this problem is to repeal the many laws and regulations accumulated over decades to support the old regime; an alternative strategy (the strategy followed by China comes to mind) is to accelerate transition by way of constructing a 'firewall' behind which business can operate under modern market rules. That firewall is a special economic zone.

IV.A Flagship Volume. The objective of the summary volume will be to synthesize the findings, and discuss their policy implications. While the proposed strategy recognizes the idiosyncratic aspects of small states located in different regions there are clear advantages in bringing together the findings and in discussing their policy implications within a single volume.

Integrating the discussion of the constraints and solutions developed in small states in one region and discussing their relevance to the realities of other regions and countries is critical to disseminate the knowledge acquired through the project and to understand the implications for policy advice.

Partnerships, Deliverables, Dissemination Strategy, Team, Budget and Timetable

Partnerships. The small states project will be a joint effort with regional vice-presidencies. It will be financed with internal resources, as well as with research funds and, hopefully, contributions from donors. Its implementation will rely on expertise inside the Bank and outside, in the academic and policy research community and will be pursued in close collaboration with other international institutions interested in small states' issues.

PRMED will devote senior staff and budgetary resources to this task and will lead Bank efforts in its implementation. A coordination committee with the regions involved in the project will be set up to ensure they stay abreast of progress. Consultations with donor agencies will begin in June 2005 to broaden the base of support for the project.

Deliverables. The expected deliverables include:

- *Growth diagnostics for Africa, Caribbean, Europe, and Pacific Islands.* These studies will focus on the causes for the slow down of growth in small states during the 1990s; discuss determinants of income and consumption volatility; and assess the role of trade barriers, scale economies in infrastructure and other public services, and competition on economic performance.¹¹
- *A series of case studies on innovations to facilitate integration.* These studies will report on *solutions* to circumvent domestic size constraints. Contingent on budget availability the plan is to analyze 3 cases in the Caribbean and Africa regions each, 2 cases in the Pacific and one case in MNA and ECA each. The main purpose of these notes will be to facilitate knowledge management.
- *Conferences.* Throughout the implementation of the work, there will be the need to provide a reality check with colleagues in the regions, policy experts in client countries and academics. This will be done at different levels, starting with internal BBL seminars, workshops and international conferences.
- *Flagship Report.* The main findings will be summarized in a Flagship Report that will provide a comprehensive vision on the variety of problems faced by small states and of the solutions to address these problems.

Dissemination Strategy. Critical to the dissemination strategy is the integration of small states research centers and researchers as part of the team that will prepare the core studies. The identification of institutional *solutions* to overcome size constraints, the description of its characteristics and the analysis of the circumstances that made the *solution* viable require deep knowledge of local circumstances and are ideally suited to be outsourced to research centers located in small states.

The conferences and production of the flagship report will be organized with a focus to widen the audience and to gain more permanent attention to the problems of small states within international financial institutions.

¹¹ Terms of reference should make clear that these papers are to identify concrete policy approaches based on an examination of how small states suffer from, or have overcome, the disadvantages of size, with special emphasis on those that are isolated or suffer from frequent exogenous shocks.

Appendix A

Table 1 presents a list of the 47 small states members of the World Bank. Most of these states are located in three regions: Africa, East Asia and the Pacific and Latin America and the Caribbean. Thirty-one of these states are islands. The proposed study focuses mainly developing small states (i.e it excludes Brunei, Iceland, Luxembourg, and San Marino).

Table A.1
Small states in the World Bank

Africa	East Asia and the Pacific	Latin America and the Caribbean	Europe, Middle East, and South Asia
Botswana Cape Verde Comoros Djibouti Equatorial Guinea Gabon Gambia, The Guinea-Bissau Lesotho Mauritius Namibia São Tomé and Príncipe Seychelles Swaziland	Brunei Fiji Kiribati Marshall Islands Micronesia, Federated States of Palau Samoa Soloman Islands Timor-Leste Tonga Vanuatu	Antigua and Barbuda Bahamas, The Barbados Belize Dominca Grenada Guyana St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines Suriname Trinidad and Tobago	Bahrain Bhutan Cyprus Estonia Iceland Luxembourg Maldives Malta Qatar San Marino

Source: Prepared by Staff
Notes: There are several small states that are not World Bank members: Cook Islands, Nauru, Niue, and Tuvalu.

Appendix B: Econometric Estimations

I use a simple two equation model to analyze the interactions of per capita income y_i , volatility σ_i , and domestic market size. The first equation, based on a version of the Barro-Sala-I-Martin (BSM)¹² cross-country regression framework, measures the effect of population size (N_{it-m}) on per capita income (y_i) given the countries' initial conditions (y_{it-m}) and some policy control variables C_i .

The second equation specifies the standard deviation of the rate of growth of GDP (σ_i) as a function of population size (N_{it-m}), the level of initial per capita income (y_{it-m}) and control variables. The system of equations specification allows to take into account a rich pattern of interactions among variables (suggested by the partial correlations presented in Table 1) to the estimation of the marginal effect of N_{it-m} on y_i and σ_i .

$$(1) y_{it} = \alpha_0 + \alpha_1 y_{it-m} + \sum_{j=1}^k \alpha_j C_j + \alpha_{k+1} N_{it-m} + \mu_i.$$

where:

y_{it-m} = The logarithm of per capita income of country i at time t-m.

C_j = A set of control variables.

N_{it-m} = The logarithm of population size of country i at time t-m..

μ_i = A random disturbance.

α_j = A set of parameters.

In the standard BSM framework $m = 1$, alternatively the proposed specification makes y_{it} as a function of its distant past y_{it-m} , population size and control variables. The proposed specification is well suited to help gauge whether countries can overcome the consequences of initial conditions, measured by y_{it-m} and N_{it-m} , by judiciously choosing its domestic policies.

The specification of the second equation in the system (3) is based on the partial correlations estimated in the first part:

$$(3) \sigma_{it} = \beta_0 + \beta_1 y_{it-m} + \beta_2 op_i + \beta_3 oil + \beta_4 sgy_i + \beta_6 N_{it-m} + \mu_{2i}.$$

where:

oil = A dummy variable equal to one for oil exporting countries and zero otherwise.

sgy_i = The average share of government consumption of goods and services in GDP during 1961-2000.

¹² See Barro and Sala-i-Martin (1995).

μ_{2i} = An error term.

The system of equations formed by (1) and (3) is overidentified. Equations (1) and (3) can be estimated separately by two-stages-least-squares (2SLS) or simultaneously using three-stages-least squares (3SLS). Efficiency can be gained in the latter case when μ_{1i} and μ_{2i} are correlated.

The next stage is to estimate the model by 3SLS, Table B1 presents the results:

Table B.1		
THREE STAGES LEAST SQUARES		
Variable	EQ1	EQ2
Constant	0.62 (0.62)	0.19 (6.57)
Initial Income	0.71 (8.71)	-0.02 (-5.60)
Openness	0.005 (3.11)	-4.32 E-05 (-0.62)
Life Expectancy	0.04 (5.02)	--
Standard Deviation of Income	-3.37 (-0.82)	--
Log. of Population	0.02 (0.78)	-0.04 (-3.66)
Average Inflation	-2.59 E-05 (-0.04)	3.30 E-05 (1.07)
Oil	--	0.04 (5.87)
Share of Government Expenditure in GDP	--	0.0006 (1.77)
N	77	77
SE of Regression	0.34	0.016

Notes: t statistics are within brackets. The dependent variable in equation 1 (EQ1) is the average of the logarithm of per capita income in the 1991-2000. The dependent variable in equation 2 (EQ2) is the standard deviation of the rate of growth of GDP. Definition of variables: initial income is the average of the logarithm of per capita income in 1961-1970. Openness is the average of share of trade to GDP in 1961-2000. Life expectancy is the average of life expectancy in 1961-1970. Standard deviation of income is the standard deviation of the rate of growth of GDP in 1961-2000. Log of population is the logarithm of population in 1961-1970. Average inflation is the average rate of inflation in 1961-2000. Oil is a dummy variable equal to 1 if the country is an oil exporter and 0 otherwise. Share of government expenditure in GDP is the share of government consumption in GDP in 1961-2000. N is the number of observations, se of regression is the standard error of the regression.

Income volatility is also negatively The results from 3SLS are very similar to those obtained using 2SLS. Population size is negatively correlated with income volatility and has no correlation with per capita income.

APPENDIX C: Statistical Tables

[Table C.1. Small States : Country Brief](#)

[Table C.2: GDP growth \(annual %\)](#)

[Table C.3. Small states: Trade \(% of GDP\)](#)

[Table C.4. Trade \(% of GDP\)](#)

[Table C.5. General government final consumption expenditure \(% of GDP\)](#)

[Table C.6. External debt \(% of GNI\)](#)

[Table C.7: Workers' remittances and compensation of employees](#)

[Table C.8: Government Expenditure, Trade share, volatility matrix](#)

[Table C.9: Money and quasi money \(M2\) as % of GDP](#)

[Table C.10: Standard deviation of the growth rate of real income](#)

[Table C.11. Standard deviation of the growth rate of final consumption expenditure](#)

[Table C.12: Foreign direct investment, net inflows \(% of GDP\)](#)

[Table C.13: Gross foreign direct investment \(% of GDP\)](#)

Table C.1

Table 1. Small States : Country Brief

Country	Year of Independence	population (2002)	GDP per capita (avg. 2000-2004)	Region
1 Antigua and Barbuda	1981	78,580	9,135	Latin America & Caribbean
2 Bahamas, The	1973	317,413	15,591	Latin America & Caribbean
3 Bahrain	1971	711,662	11,852	Middle East
4 Barbados	1966	270,584	9,373	Latin America & Caribbean
5 Belize	1981	273,700	3,486	Latin America & Caribbean
6 Bhutan	1949	873,663	643	South Asia
7 Botswana	1966	1,711,770	3,325	East & Southern Africa
8 Brunei	1984	356,447	..	East Asia & Pacific
9 Cape Verde	1975	469,680	1,267	West Africa
10 Comoros	1975	600,142	365	East & Southern Africa
11 Cyprus	1960	769,954	12,154	Rest of Europe
12 Djibouti	1977	705,480	835	North Africa
13 Dominica	1978	71,213	3,598	Latin America & Caribbean
14 Equatorial Guinea	1968	494,000	3,370	West Africa
15 Estonia	1991	1,353,000	4,563	Former Soviet Union
16 Fiji	1970	835,000	2,223	East Asia & Pacific
17 Gabon	1960	1,344,433	3,883	West Africa
18 Gambia, The	1965	1,420,895	326	West Africa
19 Grenada	1974	104,600	3,831	Latin America & Caribbean
20 Guinea-Bissau	1974	1,489,209	144	West Africa
21 Guyana	1966	768,888	950	Latin America & Caribbean
22 Iceland	1944	289,000	30,277	Rest of Europe
23 Kiribati	1979	96,377	569	East Asia & Pacific
24 Lesotho	1966	1,776,616	511	East & Southern Africa
25 Luxembourg	1839	448,000	45,399	Rest of Europe
26 Maldives	1965	293,080	2,378	South Asia
27 Malta	1964	399,000	9,707	North Africa
28 Marshall Islands	1986	52,500	1,903	East Asia & Pacific
29 Mauritius	1968	1,222,188	4,044	East & Southern Africa
30 Micronesia, Fed. Sts.	1986	124,560	1,833	East Asia & Pacific
31 Namibia	1990	1,984,653	1,813	East & Southern Africa
32 Palau	1994	20,000	..	East Asia & Pacific
33 Qatar	1971	623,703	..	Middle East
34 Samoa	1962	178,000	1,475	East Asia & Pacific
35 Sao Tome and Principe	1975	157,400	329	West Africa
36 Seychelles	1976	83,639	7,191	East & Southern Africa
37 Solomon Islands	1978	456,645	622	East Asia & Pacific
38 St. Kitts and Nevis	1983	46,710	7,413	Latin America & Caribbean
39 St. Lucia	1979	160,588	4,196	Latin America & Caribbean
40 St. Vincent and the Grenadi	1979	109,164	3,125	Latin America & Caribbean
41 Suriname	1975	438,104	2,156	Latin America & Caribbean
42 Swaziland	1968	1,105,525	1,348	East & Southern Africa
43 Timor-Leste	2002	877,000	439	East Asia & Pacific
44 Tonga	1970	101,524	1,607	East Asia & Pacific
45 Trinidad and Tobago	1962	1,312,664	6,951	Latin America & Caribbean
46 Vanuatu	1980	210,164	1,125	East Asia & Pacific
Memorandum items:				
Low income countries			418	
Middle income countries			1,931	
Small states (median)			2,378	

source: 2005 World Development Indicators

Table C.2

Table 2: GDP growth (annual %)

Country	1991-95	1996-
Antigua and Barbuda	2.1	3.8
Bahamas, The	-0.4	2.9
Bahrain	6.9	3.8
Barbados	-0.3	1.8
Belize	6.1	5.7
Bhutan	5.8	6.8
Botswana	4.1	5.8
Cape Verde	5.2	5.7
Comoros	0.9	1.5
Cyprus	4.6	3.6
Djibouti	-1.8	0.9
Dominica	1.5	0.1
Equatorial Guinea	7.0	23.2
Estonia	-6.4	5.8
Fiji	2.7	2.8
Gabon	3.1	1.8
Gambia, The	2.1	4.5
Grenada	0.9	4.0
Guinea-Bissau	3.2	0.1
Guyana	7.1	2.0
Iceland	0.3	3.9
Kiribati	4.2	4.7
Lesotho	4.0	3.2
Luxembourg	4.0	5.1
Maldives	..	7.5
Malta	5.5	2.7
Marshall Islands	2.2	-2.1
Mauritius	5.1	5.1
Micronesia, Fed. Sts.	4.3	-0.2
Nambia	5.0	3.3
Palau	-0.1	2.1
Samoa	1.1	3.9
Sao Tome and Principe	1.6	3.3
Seychelles	2.9	2.6
Solomon Islands	5.4	-2.1
St. Kitts and Nevis	3.8	3.4
St. Lucia	3.4	1.0
St. Vincent and the Grenadines	1.3	2.5
Suriname	-0.1	2.7
Swaziland	2.9	2.9
Timor-Leste	..	-1.0
Tonga	3.6	2.0
Trinidad and Tobago	1.4	5.7
Vanuatu	6.7	1.0
Memorandum items:		
Low income	3.7	5.2
Middle income	2.9	4.1
Small states (median)	3.2	3.0

source: 2005 World Development Indicators

Table C.3

Table3. Small states: Trade (% of GDP)

Country	1991-95	1996-03	1960s	1970s	1980s
Antigua and Barbuda	170.8	149.4	..	132.8	169.9
Bahamas, The	..	..	..	140.3	123.5
Bahrain	166.8	145.4	..	239.3	199.1
Barbados	106.8	111.5	125.6	128.3	116.7
Belize	109.3	115.6	..	124.0	122.1
Bhutan	77.4	75.2	..	49.2	62.3
Botswana	90.5	92.2	84.4	130.1	117.2
Brunei	..	..	..	..	..
Cape Verde	64.6	88.2	..	..	59.3
Comoros	59.7	48.1	..	60.6	61.4
Cyprus	100.4	96.7	..	107.0	108.5
Djibouti	98.4	104.6	..	..	..
Dominica	114.8	118.0	..	110.8	113.7
Equatorial Guinea	104.9	245.8	80.5	94.5	100.6
Estonia	137.3	158.5	..	..	..
Fiji	113.1	122.7	93.8	96.0	98.8
Gabon	87.0	94.8	84.6	107.4	95.0
Gambia, The	127.0	99.6	85.7	86.2	111.3
Grenada	104.9	118.8	..	117.9	114.2
Guinea-Bissau	48.4	69.3	34.2	42.3	52.0
Guyana	246.1	204.5	111.3	136.4	128.4
Iceland	65.5	76.1	76.2	71.6	71.3
Kiribati	119.2	109.8	..	100.6	139.1
Lesotho	140.7	134.5	65.0	110.7	138.8
Luxembourg	201.8	255.1	166.7	183.0	203.4
Maldives	169.9	161.8	..	76.1	78.5
Malta	196.2	186.7	127.5	169.3	163.8
Marshall Islands	..	..	..	..	..
Mauritius	124.5	124.1	..	102.8	112.8
Micronesia, Fed. Sts.	..	..	..	..	87.7
Nambia	110.7	99.6	..	..	126.8
Palau	72.5	88.0	..	..	..
Qatar	83.2	77.7	..	..	..
Samoa	83.7	96.4	..	..	..
Sao Tome and Principe	109.3	120.7	38.9	50.4	78.6
Seychelles	115.8	151.7	..	157.7	124.8
Solomon Islands	138.0	109.4	..	170.3	129.0
St. Kitts and Nevis	128.9	117.0	..	147.4	139.8
St. Lucia	142.6	121.5	..	163.1	150.0
St. Vincent and the Grenadines	122.3	118.5	..	144.7	149.1
Suriname	56.8	63.4	115.0	124.4	84.9
Swaziland	171.6	177.2	112.1	145.6	154.6
Timor-Leste	..	..	..	..	..
Tonga	78.3	77.2	..	96.2	93.2
Trinidad and Tobago	81.7	99.8	105.0	87.6	71.9
Vanuatu	103.4	103.1	..	74.9	107.5
Memorandum items:					
Low income	33.8	40.8	18.0	21.6	24.3
Middle income	48.3	57.9	23.6	30.2	36.4
small states (median)	109.3	111.5	89.8	110.8	114.0

source: 2005 Global Development Finance

Table C.4

Table 4. Trade (% of GDP)

Country	1991-95	1996-	Country	1991-95	1996-	Country	1991-95	1996-
1 Myanmar	3.7	2.1	61 Finland	57.1	69.5	121 Botswana	90.5	92.2
2 Argentina	16.5	28.0	62 Morocco	57.2	65.2	122 Eritrea	93.7	102.5
3 Japan	16.9	20.1	63 Mozambique	57.7	51.2	123 Papua New Guinea	95.5	93.6
4 Brazil	18.3	24.7	64 Ecuador	58.3	55.6	124 Bosnia and Herzego	96.9	90.7
5 India	19.9	27.2	65 New Zealand	58.5	62.1	125 Mauritania	97.2	101.1
6 United States	21.5	24.3	66 Chile	59.2	61.8	126 Djibouti	98.4	104.6
7 Bangladesh	22.6	32.8	67 Germany, Fed	59.5	..	127 Lithuania	99.6	107.6
8 Ethiopia	25.5	45.4	68 Comoros	59.7	48.1	128 Kazakhstan	100.2	85.6
9 French Polynesia	27.9	30.3	69 Sweden	60.9	79.6	129 Cyprus	100.4	96.7
10 Cuba	28.5	34.3	70 Senegal	61.4	68.0	130 Armenia	101.7	76.5
11 Peru	28.6	33.6	71 Canada	61.5	80.7	131 Georgia	102.8	61.1
12 Uganda	30.2	36.2	72 Uzbekistan	61.8	54.5	132 Vanuatu	103.4	103.1
13 Burkina Faso	34.9	34.4	73 Albania	62.0	55.2	133 Kuwait	103.8	91.1
14 Colombia	35.1	39.1	74 Russian Feder	62.3	56.1	134 Netherlands	103.8	119.2
15 Haiti	35.2	41.5	75 Nicaragua	62.9	71.3	135 Equatorial Guinea	104.9	245.8
16 Rwanda	35.4	32.4	76 Cote d'Ivoire	63.7	75.1	136 Grenada	104.9	118.8
17 Turkey	36.2	55.6	77 Ukraine	63.9	100.8	137 Czech Republic	105.2	120.2
18 Pakistan	36.7	37.2	78 Portugal	64.1	69.8	138 Congo, Rep.	106.1	134.1
19 Niger	37.2	41.0	79 Cape Verde	64.6	88.2	139 Latvia	106.1	104.7
20 Australia	37.5	42.1	80 Tajikistan	65.4	144.8	140 Barbados	106.8	111.5
21 Congo, Dem. Rep	38.8	45.6	81 Iceland	65.5	76.1	141 Sao Tome and Prin	109.3	120.7
22 Cameroon	38.9	51.9	82 Zimbabwe	65.6	69.4	142 Belize	109.3	115.6
23 Burundi	38.9	27.2	83 Togo	65.8	78.2	143 Jamaica	109.4	95.5
24 Uruguay	39.1	42.8	84 Dominican Re	65.8	92.8	144 Namibia	110.7	99.6
25 Spain	39.5	56.3	85 Denmark	66.3	75.7	145 Croatia	112.7	97.1
26 Mexico	40.4	60.8	86 Switzerland	66.3	78.1	146 Fiji	113.1	122.7
27 China	40.6	51.1	87 Malawi	66.9	65.0	147 Dominica	114.8	118.0
28 South Africa	41.0	53.4	88 Kenya	67.3	59.9	148 Seychelles	115.8	151.7
29 Central African R	41.7	36.5	89 Syrian Arab R	67.3	69.9	149 Angola	116.8	147.6
30 Italy	42.2	51.0	90 Hungary	68.7	128.9	150 Slovak Republic	117.2	142.5
31 Iran, Islamic Rep.	42.2	42.9	91 Saudi Arabia	69.0	64.5	151 Moldova	118.9	127.6
32 France	42.2	50.5	92 Norway	70.1	72.5	152 Kiribati	119.2	109.8
33 Greece	43.0	50.3	93 Philippines	70.2	102.9	153 Belarus	119.5	130.1
34 Guatemala	43.1	44.8	94 Vietnam	71.8	106.6	154 Azerbaijan	120.5	87.0
35 Chad	44.3	61.6	95 Palau	72.5	88.0	155 St. Vincent and the	122.3	118.5
36 New Caledonia	44.5	43.8	96 Austria	74.3	94.1	156 Ireland	123.9	163.5
37 Sierra Leone	45.6	50.7	97 Kyrgyz Reput	75.1	86.5	157 Slovenia	124.2	114.9
38 Benin	46.4	43.0	98 Sri Lanka	75.3	80.1	158 Mauritius	124.5	124.1
39 Madagascar	46.7	55.5	99 Costa Rica	75.7	91.2	159 Gambia, The	127.0	99.6
40 Nepal	46.7	53.5	100 Zambia	75.8	58.1	160 St. Kitts and Nevis	128.9	117.0
41 Poland	46.7	54.7	101 Honduras	77.2	94.8	161 Jordan	130.1	114.2
42 Guinea	47.4	48.6	102 Bhutan	77.4	75.2	162 United Arab Emirate	130.2	136.5
43 Guinea-Bissau	48.4	69.3	103 Israel	77.5	78.1	163 Belgium	131.6	154.8
44 Germany	48.5	61.3	104 Tonga	78.3	77.2	164 Macao, China	132.6	138.6
45 Bolivia	48.7	48.5	105 Paraguay	78.6	67.0	165 Estonia	137.3	158.5
46 Cambodia	50.9	106.3	106 Trinidad and	81.7	99.8	166 Solomon Islands	138.0	109.4
47 Algeria	51.2	57.2	107 Thailand	81.9	110.3	167 Lesotho	140.7	134.5
48 United Kingdom	51.7	56.2	108 Qatar	83.2	77.7	168 St. Lucia	142.6	121.5
49 Indonesia	51.8	66.7	109 Lebanon	83.3	55.3	169 Mongolia	143.9	140.2
50 Lao PDR	52.1	65.7	110 Nigeria	83.5	81.5	170 Bahrain	166.8	145.4
51 El Salvador	52.9	63.9	111 Samoa	83.7	96.4	171 Malaysia	168.0	208.6
52 Ghana	52.9	91.7	112 West Bank an	83.8	77.8	172 Maldives	169.9	161.8
53 Romania	53.4	68.6	113 Macedonia, F	84.1	91.4	173 Puerto Rico	170.3	168.7
54 Venezuela, RB	53.8	46.3	114 Yemen, Rep.	86.5	75.2	174 Antigua and Barbu	170.8	149.4
55 Mali	54.3	63.5	115 Gabon	87.0	94.8	175 Swaziland	171.6	177.2
56 Korea, Rep.	55.5	71.3	116 Turkmenistan	88.3	103.1	176 Panama	193.8	139.9
57 Egypt, Arab Rep.	56.8	43.3	117 Taiwan, Chin:	88.4	98.3	177 Malta	196.2	186.7
58 Suriname	56.8	63.4	118 Tunisia	89.2	91.0	178 Luxembourg	201.8	255.1
59 Tanzania	57.0	42.3	119 Oman	89.4	88.9	179 Aruba	240.3	229.6
60 Libya	57.0	52.8	120 Bulgaria	89.7	110.8	180 Guyana	246.1	204.5
						181 Hong Kong, China	274.2	279.3

Table C.5

Table 5. Small states: General government final consumption expenditure (% of GDP)

country	1991-95	1996-03	1960s	1970s	1980s
Kiribati	53.8	..	..	27.8	51.9
Nambia	110.7	99.6	..	..	29.2
Suriname	29.9	31.5	..	22.3	31.1
Botswana	27.1	30.5	..	19.4	24.6
Qatar	33.2	30.1	..	..	..
Vanuatu	27.7	28.1	..	27.0	32.4
Seychelles	29.0	27.3	..	25.2	33.0
Sao Tome and Princi	32.2	26.3	18.2	15.2	35.9
Djibouti	32.4	26.1	..	..	..
Iceland	21.6	23.7	11.9	16.3	18.9
Antigua and Barbud:	19.1	22.8	..	18.5	18.6
St. Vincent and the C	22.8	22.0	..	22.6	20.6
Swaziland	20.3	21.9	17.8	19.0	20.8
Tonga	19.2	21.8	..	15.3	16.2
St. Lucia	14.6	21.7	..	17.5	18.9
Barbados	17.3	21.6	10.4	15.2	17.6
Dominica	20.5	21.4	..	25.3	22.3
Bhutan	19.4	21.1	..	24.8	20.6
Guyana	17.9	20.9	14.3	22.7	23.5
Estonia	20.4	20.6	..	..	17.4
St. Kitts and Nevis	18.1	20.5	..	21.1	21.0
Maldives	16.8	20.5	..	..	..
Malta	19.6	19.9	17.3	18.1	17.7
Bahrain	22.3	19.6	..	13.0	21.8
Lesotho	16.0	18.9	..	13.8	18.6
Cyprus	17.4	18.4	..	14.6	15.3
Luxembourg	18.1	17.4	13.3	16.6	18.8
Equatorial Guinea	26.9	17.3	14.5	26.1	29.9
Fiji	17.3	16.8	13.6	14.4	17.7
Comoros	21.6	16.5	..	30.9	27.8
Grenada	18.5	16.0	..	20.4	19.9
Cape Verde	17.4	15.1	..	..	13.4
Gabon	14.2	14.2	13.1	14.1	18.4
Belize	14.5	13.7	..	17.2	19.0
Mauritius	12.9	13.1	..	14.9	13.3
Gambia, The	13.9	12.9	..	30.3	27.4
Guinea-Bissau	8.0	11.2	19.9	23.1	17.2
Trinidad and Tobagc	12.5	10.9	11.9	13.4	18.6
Memorandum items:					
Low income	11.7	11.9			
Middle income	14.2	14.7			
Small states (medi	19.3	20.6			

source: 2005 Global Development Finance

Table C.6

Table 6. Total External debt (% of GNI)

Country	91-95	96-04	1980s	Country	91-95	96-04	1980s
1 Botswana	15.3	10.1	23.3	66 Tunisia	63.0	60.5	60.6
2 Iran, Islamic Rep.	31.7	10.2	4.6	67 St. Kitts an	28.8	61.0	21.2
3 Fiji	19.4	11.8	35.9	68 Morocco	81.5	61.9	102.4
4 China	17.8	14.9	8.5	69 Jamaica	106.7	61.9	137.0
5 Belarus	8.9	15.8	..	70 Grenada	52.1	61.9	47.8
6 South Africa	16.7	19.6	..	71 Hungary	68.3	62.1	65.6
7 Azerbaijan	5.0	20.7	..	72 Turkmenista	13.8	62.3	..
8 Swaziland	19.6	21.6	40.5	73 Uganda	87.0	64.2	40.5
9 Guatemala	28.6	21.9	28.6	74 Zimbabwe	62.8	64.3	34.4
10 India	32.8	22.0	19.0	75 Vietnam	196.6	64.5	355.5
11 Albania	53.2	22.6	..	76 Thailand	45.3	65.8	36.9
12 Barbados	35.5	23.1	39.9	77 Panama	98.2	66.9	103.6
13 Romania	15.0	29.5	3.0	78 Bolivia	80.1	68.4	131.4
14 Costa Rica	43.4	29.9	118.7	79 Chad	52.4	68.7	26.4
15 Vanuatu	21.9	30.0	14.3	80 Benin	84.0	69.5	69.6
16 Dominican Republic	50.0	30.1	54.6	81 Philippines	62.2	69.9	77.0
17 Mexico	39.4	32.1	57.1	82 Dominica	51.1	72.1	47.6
18 Ukraine	8.8	32.7	..	83 Rwanda	67.6	73.7	21.8
19 Haiti	35.0	32.9	36.4	84 Papua New	70.0	73.7	74.1
20 Uzbekistan	7.9	33.2	..	85 Yemen, Rep	148.3	74.1	132.6
21 Bangladesh	42.1	33.9	33.6	86 Argentina	32.5	74.2	57.0
22 El Salvador	33.0	35.1	47.8	87 Cambodia	83.8	75.3	82.4
23 Egypt, Arab Rep.	69.7	36.1	112.2	88 Belize	38.3	75.7	46.5
24 Eritrea	4.8	36.2	..	89 Equatorial C	199.1	75.9	185.2
25 Poland	52.4	36.8	88.8	90 Ecuador	98.1	77.7	98.4
26 Trinidad and Tobago	52.8	37.2	32.7	91 Moldova	20.9	82.5	..
27 Oman	36.3	37.4	26.7	92 Senegal	79.3	82.9	84.3
28 Venezuela, RB	61.3	38.6	59.0	93 Mongolia	56.0	83.2	..
29 Colombia	34.1	38.7	38.8	94 Niger	82.5	83.2	66.9
30 Lithuania	5.6	39.0	..	95 Nigeria	136.2	83.7	88.6
31 Maldives	39.4	39.1	52.6	96 Tanzania	153.1	87.5	139.6
32 Czech Republic	27.4	39.1	..	97 Samoa	88.9	87.6	64.3
33 Brazil	29.9	39.5	39.5	98 Bulgaria	106.9	89.0	..
34 Paraguay	27.4	39.5	44.1	99 Gabon	96.4	91.6	54.6
35 St. Lucia	22.5	39.5	15.7	100 Central Afri	75.1	93.1	44.0
36 Macedonia, FYR	34.6	40.6	..	101 Indonesia	65.7	94.5	49.2
37 Armenia	17.9	41.1	..	102 Jordan	160.8	94.8	99.2
38 Mauritius	38.0	42.7	50.1	103 Honduras	128.1	97.7	83.9
39 Tonga	35.0	42.9	39.7	104 Tajikistan	30.2	100.8	..
40 Pakistan	50.1	48.5	41.3	105 Guinea	92.2	101.6	98.0
41 Georgia	32.5	49.0	..	106 Togo	109.5	102.9	107.5
42 Kazakhstan	9.8	49.5	..	107 Comoros	80.9	103.3	87.0
43 Chile	46.1	51.7	95.8	108 Cameroon	86.7	105.3	42.8
44 Bhutan	41.2	51.9	12.4	109 Ghana	83.0	108.8	51.9
45 Burkina Faso	47.2	52.0	27.4	110 Kyrgyz Rep	19.8	109.3	..
46 Malaysia	39.3	52.6	57.1	111 Madagascar	139.8	111.1	101.4
47 Uruguay	33.0	52.9	56.4	112 Mali	119.0	113.6	92.4
48 Djibouti	54.7	53.1	..	113 Ethiopia	142.5	120.7	79.9
49 Estonia	4.2	53.1	..	114 Cote d'Ivoir	201.0	123.8	145.3
50 Nepal	53.0	53.1	26.4	115 Gambia, Th	118.7	128.9	121.7
51 Russian Federation	26.3	53.2	..	116 Syrian Arab	167.5	132.8	94.9
52 Peru	62.7	53.6	79.6	117 Malawi	120.9	143.8	90.1
53 Slovak Republic	28.7	54.3	..	118 Angola	319.6	149.9	99.1
54 St. Vincent and the Gren	41.6	55.1	27.9	119 Lao PDR	152.0	152.5	120.6
55 Solomon Islands	50.9	55.3	40.6	120 Sudan	232.2	154.1	81.0
56 Cape Verde	40.5	55.5	45.7	121 Burundi	106.7	159.7	50.2
57 Algeria	67.4	55.5	39.7	122 Sierra Leone	192.3	182.6	110.6
58 Latvia	5.8	56.3	..	123 Nicaragua	703.0	184.4	391.6
59 Croatia	16.5	56.5	..	124 Zambia	223.2	188.4	206.5
60 Turkey	40.1	57.5	37.3	125 Mozambiqu	302.9	192.6	140.4
61 Sri Lanka	68.8	58.0	63.3	126 Guyana	565.5	219.7	448.8
62 Kenya	106.8	58.5	66.9	127 Mauritania	222.0	237.1	191.0
63 Lesotho	45.8	59.3	27.5	128 Congo, Dem	177.8	239.5	85.2
64 Lebanon	25.9	59.4	40.7	129 Congo, Rep	310.5	275.3	154.4
65 Seychelles	44.4	59.6	52.0	130 Guinea-Bis	357.8	391.0	224.2
Memorandum items:				131 Sao Tome a	482.9	687.3	162.3
Low income countries	65.9	47.2	41.1				
Middle income countries	35.0	38.8	31.1				
Small states (median)	41.6	55.3	45.7				

source: 2005 Global Development Finance

Table C.7

Table 7: Workers' remittances and compensation of employees
(% of GDP)

country	91-95	96-03	country	91-95	96-03
1 Venezuela, RB	0.003	0.02	52 Antigua and Barbuda	0.70	1.52
2 United States	0.03	0.03	53 Mexico	1.09	1.59
3 Japan	0.02	0.03	54 New Zealand	1.98	1.62
4 Gabon	..	0.09	55 Belgium	1.96	1.68
5 Cameroon	0.14	0.12	56 Algeria	2.79	1.78
6 Estonia	..	0.13	57 Turkey	1.88	1.86
7 Korea, Rep.	0.30	0.15	58 Colombia	1.27	1.91
8 Norway	0.15	0.17	59 Burkina Faso	4.32	2.35
9 Sweden	0.10	0.18	60 India	1.45	2.50
10 Italy	0.26	0.18	61 Belize	2.99	2.62
11 China	0.05	0.19	62 Pakistan	3.13	2.69
12 Germany	0.23	0.21	63 Portugal	4.72	3.01
13 South Africa	0.08	0.22	64 Guinea-Bissau	..	3.21
14 Papua New Guinea	0.43	0.23	65 Luxembourg	..	3.31
15 Mauritania	1.29	0.23	66 Togo	1.28	3.37
16 United Kingdom	0.20	0.25	67 Benin	6.15	3.40
17 Madagascar	0.46	0.30	68 Paraguay	1.62	3.45
18 Namibia	0.51	0.31	69 Mali	4.61	3.53
19 Ireland	0.58	0.31	70 Egypt, Arab Rep.	10.00	3.73
20 Finland	0.08	0.31	71 Kenya	2.11	3.75
21 Netherlands	0.27	0.35	72 Nigeria	1.86	3.75
22 Brazil	0.37	0.36	73 Barbados	2.73	3.77
23 Niger	0.64	0.39	74 Guatemala	2.17	3.91
24 Maldives	0.58	0.39	75 Guyana	..	3.96
25 Israel	1.62	0.42	76 Tunisia	3.66	4.19
26 Malta	1.06	0.42	77 Syrian Arab Rep.	7.30	4.21
27 Ethiopia	0.29	0.46	78 Mauritius	..	4.23
28 St. Lucia	1.15	0.48	79 Bangladesh	2.99	4.41
29 Switzerland	0.44	0.48	80 Senegal	3.08	4.73
30 Australia	0.52	0.48	81 Ecuador	1.17	5.21
31 Panama	1.55	0.58	82 Comoros	5.71	5.22
32 Ghana	0.19	0.58	83 Swaziland	8.94	5.25
33 France	0.35	0.63	84 Sudan	1.88	5.33
34 Trinidad and Tobago	0.36	0.64	85 Grenada	4.32	5.81
35 Botswana	1.81	0.67	86 Gambia, The	4.61	6.60
36 Indonesia	0.21	0.68	87 Morocco	6.82	6.88
37 Austria	0.43	0.70	88 Sri Lanka	5.79	7.02
38 Spain	0.47	0.71	89 Honduras	2.71	7.12
39 St. Vincent and the	0.84	0.83	90 Philippines	5.25	8.39
40 Cyprus	1.12	0.89	91 Dominican Repul	6.01	9.42
41 Iceland	0.92	0.97	92 Lebanon	28.18	10.54
42 Malaysia	0.70	1.05	93 Vanuatu	6.72	11.00
43 Lao PDR	0.95	1.12	94 Jamaica	7.43	12.14
44 Costa Rica	0.34	1.15	95 El Salvador	11.05	12.32
45 Thailand	0.84	1.15	96 Kiribati	17.27	13.72
46 St. Kitts and Nevis	0.79	1.16	97 Haiti	3.16	13.85
47 Bolivia	0.08	1.21	98 Cape Verde	20.03	14.83
48 Peru	0.82	1.25	99 Yemen, Rep.	22.38	15.47
49 Dominica	2.02	1.26	100 Samoa	20.01	18.63
50 Fiji	1.56	1.41	101 Jordan	16.81	22.67
51 Mozambique	2.70	1.43	102 Lesotho	50.16	29.91
Memorandum items:					
small states (median)	1.91	2.07			
Low income	1.68	2.65			
Middle income	0.88	1.10			

source: 2005 World Development Indicators

Table C.8

Table 8. Government Expenditure, Trade share, volatility matrix						
	Low		High			
Government expenditure (% of GDP) LICs: 11.9 MICs: 14.7 small states (median): 20.6	1	Trinidad and Tobago	10.9	19	Estonia	20.6
	2	Guinea-Bissau	11.2	20	Guyana	20.9
	3	Gambia, The	12.9	21	Bhutan	21.1
	4	Mauritius	13.1	22	Dominica	21.4
	5	Belize	13.7	23	Barbados	21.6
	6	Gabon	14.2	24	St. Lucia	21.7
	7	Cape Verde	15.1	25	Tonga	21.8
	8	Grenada	16.0	26	Swaziland	21.9
	9	Comoros	16.5	27	St. Vincent and the Grenada	22.0
	10	Fiji	16.8	28	Antigua and Barbuda	22.8
	11	Equatorial Guinea	17.3	29	Iceland	23.7
	12	Luxembourg	17.4	30	Djibouti	26.1
	13	Cyprus	18.4	31	Sao Tome and Principe	26.3
	14	Lesotho	18.9	32	Seychelles	27.3
	15	Bahrain	19.6	33	Vanuatu	28.1
	16	Malta	19.9	34	Qatar	30.1
	17	Maldives	20.5	35	Botswana	30.5
	18	St. Kitts and Nevis	20.5	36	Suriname	31.5
			37	Nambia	99.6	
Trade (% of GDP) LICs: 40.8 MICs: 57.9 small states (median): 113.6	1	Comoros	48.1	21	Belize	115.6
	2	Suriname	63.4	22	St. Kitts and Nevis	117.0
	3	Guinea-Bissau	69.3	23	Bahamas, The	117.1
	4	Bhutan	75.2	24	Dominica	118.0
	5	Iceland	76.1	25	St. Vincent and the Grenada	118.5
	6	Tonga	77.2	26	Grenada	118.8
	7	Qatar	77.7	27	Sao Tome and Principe	120.7
	8	Micronesia, Fed. Sts.	87.7	28	St. Lucia	121.5
	9	Palau	88.0	29	Fiji	122.7
	10	Cape Verde	88.2	30	Mauritius	124.1
	11	Gabon	94.8	31	Bahrain	145.4
	12	Samoa	96.4	32	Antigua and Barbuda	149.4
	13	Cyprus	96.7	33	Seychelles	151.7
	14	Gambia, The	99.6	34	Estonia	158.5
	15	Trinidad and Tobago	99.8	35	Maldives	161.8
	16	Vanuatu	103.1	36	Swaziland	177.2
	17	Djibouti	104.6	37	Malta	186.7
	18	Solomon Islands	109.4	38	Guyana	204.5
	19	Kiribati	109.8	39	Equatorial Guinea	245.8
	20	Barbados	111.5	40	Luxembourg	255.1
Volatility (Std. of GDP growth rate) LICs: 1.05 MICs: 1.59 small states (median): 2.86	1	Bhutan	0.64	21	Barbados	2.86
	2	Swaziland	0.91	22	Estonia	2.87
	3	Mauritius	1.08	23	St. Lucia	3.01
	4	Cyprus	1.33	24	Micronesia, Fed. Sts.	3.08
	5	Cape Verde	1.60	25	Luxembourg	3.25
	6	St. Vincent and the Grenada	1.60	26	Dominica	3.33
	7	Antigua and Barbuda	1.65	27	Gambia, The	3.38
	8	Sao Tome and Principe	1.69	28	Gabon	3.46
	9	Comoros	1.76	29	Belize	3.47
	10	Bahrain	1.84	30	Trinidad and Tobago	3.64
	11	Iceland	2.05	31	Guyana	3.73
	12	Vanuatu	2.11	32	Fiji	3.75
	13	Djibouti	2.16	33	Kiribati	4.24
	14	Tonga	2.18	34	Palau	4.40
	15	St. Kitts and Nevis	2.40	35	Grenada	4.83
	16	Suriname	2.54	36	Seychelles	5.48
	17	Samoa	2.54	37	Solomon Islands	6.53
	18	Bahamas, The	2.71	38	Marshall Islands	6.92
	19	Maldives	2.77	39	Guinea-Bissau	11.93
	20	Malta	2.82	40	Timor-Leste	20.82
				41	Equatorial Guinea	22.07

Table C.9

Table 9: Money and quasi money (M2) as % of GDP

Country	1991-95	1996-03	Country	1991-95	1996-03	Country	1991-95	1996-03
1 Suriname	0.05	0.03	51 Guatemala	22.57	25.01	101 Saudi Arabia	43.77	46.88
2 El Salvador	3.93	4.98	52 Dominican Repu	22.60	30.62	102 Yemen, Rep.	45.01	32.85
3 Cambodia	6.13	12.38	53 Gambia, The	22.77	29.99	103 Algeria	45.06	44.20
4 Kazakhstan	7.97	12.66	54 Mauritania	23.41	14.88	104 Tunisia	45.27	50.09
5 Congo, Dem. Rep.	8.05	2.35	55 Estonia	23.52	30.90	105 Bahamas, The	46.19	65.46
6 Guinea	8.24	9.53	56 Mozambique	23.69	24.30	106 Hungary	46.84	43.58
7 Uganda	9.20	15.11	57 Azerbaijan	23.90	12.04	107 South Africa	47.60	54.08
8 Equatorial Guinea	9.53	6.36	58 Bhutan	24.76	37.73	108 Seychelles	50.07	87.02
9 Sierra Leone	9.98	15.43	59 Venezuela, RB	24.82	16.44	109 United Arab E	51.74	53.58
10 Lao PDR	10.20	14.68	60 Bangladesh	25.09	31.93	110 Guyana	51.98	66.07
11 Belarus	10.24	13.18	61 Mexico	25.44	28.63	111 Fiji	52.25	42.50
12 Zambia	10.87	17.65	62 Paraguay	25.45	31.76	112 Syrian Arab Re	52.37	60.09
13 Chad	12.09	11.83	63 Slovenia	25.53	44.18	113 Aruba	52.38	51.86
14 Vietnam	12.27	35.01	64 Myanmar	25.60	25.75	114 Panama	53.46	67.89
15 Turkmenistan	12.49	10.81	65 Cote d'Ivoire	25.95	23.63	115 Canada	54.62	61.90
16 Ukraine	13.92	17.32	66 Honduras	26.17	41.00	116 Barbados	54.87	68.29
17 Russian Federation	14.08	19.74	67 Maldives	26.19	40.22	117 Australia	55.19	65.13
18 Sudan	14.31	10.01	68 Latvia	26.31	25.73	118 St. Vincent an	55.38	68.81
19 Argentina	14.87	27.14	69 Benin	26.91	24.59	119 Slovak Republ	56.10	60.53
20 Peru	15.17	29.30	70 Solomon Island	27.24	28.10	120 Norway	56.99	52.09
21 Rwanda	15.56	15.48	71 Samoa	27.89	34.93	121 Denmark	58.06	53.98
22 Nicaragua	15.77	34.41	72 Brazil	27.90	28.35	122 Morocco	58.75	76.00
23 Guinea-Bissau	15.80	36.25	73 Costa Rica	28.36	32.40	123 St. Lucia	59.14	68.19
24 Gabon	15.94	15.75	74 Swaziland	28.40	22.27	124 Qatar	59.29	51.47
25 Macedonia, FYR	16.28	18.75	75 Namibia	28.52	36.20	125 Dominica	59.31	73.93
26 Moldova	16.35	21.09	76 Poland	29.12	36.94	126 Cape Verde	59.90	61.94
27 Ghana	16.95	22.42	77 Sri Lanka	29.66	36.25	127 United States	60.11	61.40
28 Armenia	17.01	10.89	78 Oman	30.47	32.80	128 Bulgaria	62.01	36.03
29 Colombia	17.31	23.64	79 Papua New Gui	31.61	31.98	129 Bahrain	62.99	73.02
30 Niger	17.33	8.81	80 Togo	31.62	23.24	130 Antigua and I	63.42	83.53
31 Central African Republ	17.46	17.17	81 Lesotho	31.87	29.29	131 Israel	64.70	88.61
32 Nigeria	17.63	19.21	82 Nepal	32.09	40.10	132 Czech Republi	65.30	65.20
33 Congo, Rep.	18.29	13.82	83 Tonga	32.12	41.97	133 Grenada	66.12	92.39
34 Burundi	18.42	20.30	84 Haiti	32.62	34.55	134 Libya	68.90	58.61
35 Croatia	18.54	45.50	85 Jamaica	33.93	40.23	135 Mauritius	69.62	79.00
36 Malawi	18.72	15.66	86 Kenya	34.83	41.66	136 Malaysia	70.41	96.02
37 Burkina Faso	18.97	19.90	87 Bolivia	34.85	44.25	137 St. Kitts and N	70.66	81.41
38 Zimbabwe	19.02	24.90	88 Uruguay	34.86	48.43	138 Djibouti	70.83	59.97
39 Madagascar	19.24	19.83	89 Korea, Rep.	35.32	57.56	139 Thailand	71.35	95.44
40 Cameroon	19.37	15.57	90 Chile	36.43	40.73	140 New Zealand	75.50	84.82
41 Lithuania	20.15	21.46	91 Iceland	37.91	40.76	141 Egypt, Arab Re	79.06	77.44
42 Tanzania	20.18	18.89	92 Belize	38.38	50.27	142 Cyprus	83.66	111.73
43 Mongolia	20.73	24.81	93 Philippines	38.68	56.64	143 China	84.91	138.69
44 Mali	20.80	23.38	94 Iran, Islamic Re	39.21	35.94	144 Singapore	85.04	105.98
45 Ecuador	20.87	22.58	95 Albania	39.65	55.12	145 Kuwait	92.79	83.50
46 Comoros	21.85	20.69	96 Pakistan	39.89	41.78	146 Japan	106.95	120.98
47 Turkey	21.98	37.02	97 Ethiopia	40.05	44.14	147 Lebanon	108.35	172.79
48 Romania	22.07	20.59	98 Indonesia	40.11	51.92	148 Vanuatu	108.49	108.59
49 Botswana	22.29	24.96	99 Trinidad and T	40.65	45.13	149 Jordan	111.63	105.79
50 Senegal	22.40	24.13	100 India	41.89	50.89	150 Switzerland	113.47	137.25
Memorandum items:						151 Macao, China	117.33	159.09
Low income countries	47.48	56.58				152 Malta	139.11	155.63
Middle income countri	34.10	41.01				153 Hong Kong, Cl	157.97	210.05
Small states (median)	43.42	47.70				154 Liberia	361.39	121.05

source: 2005 Global Development Finance

Table C.10

Table 10. Standard deviation of the growth rate of final consumption expenditure

	1971-80	1981-90	1991-95	1995-03
1 Luxembourg	1.30	2.11	2.74	1.05
2 Mauritius	..	3.70	1.28	1.81
3 St. Lucia	..	15.45	2.87	2.63
4 Gabon	9.25	13.58	8.90	2.74
5 Botswana	3.01	6.56	3.87	3.23
6 Iceland	4.94	5.35	3.08	3.24
7 Swaziland	17.02	5.66	8.40	3.26
8 Estonia	..	0.04	12.22	3.30
9 Guyana	12.66	12.96	9.57	4.08
10 Cape Verde	..	8.27	4.92	4.63
11 Comoros	..	1.35	9.75	5.27
12 Barbados	..	..	5.37	5.35
13 Namibia	..	12.15	6.16	5.82
14 Dominica	..	6.54	3.35	5.89
15 Tonga	..	..	..	5.97
16 Gambia, The	9.21	9.00	3.26	6.01
17 Suriname	..	..	7.45	6.60
18 St. Vincent and the Grenadines	..	8.53	12.69	7.62
19 Trinidad and Tobago	11.40	12.98	9.16	9.08
20 Antigua and Barbuda	..	8.69	6.22	10.87
21 Guinea-Bissau	9.02	14.17	13.73	10.89
22 Seychelles	..	20.30	18.16	10.90
23 Maldives	..	..	..	11.01
24 Lesotho	5.88	5.13	7.87	11.02
25 Grenada	3.63	4.68	5.07	11.58
26 St. Kitts and Nevis	..	7.69	8.91	12.71
27 Sao Tome and Principe	..	5.93	4.69	16.11
28 Equatorial Guinea	..	12.63	18.63	23.87
29 Belize	..	13.95	12.33	38.40
30 Malta	4.07	2.86	1.17	..
31 Cyprus	..	3.30	6.80	..
32 Vanuatu	..	13.19	9.47	..
33 Bahrain	..	6.28	..	..
34 Fiji	6.02	7.29	..	..
35 Bahamas, The	..	9.58	..	..
36 Solomon Islands	..	11.10	..	..
37 Bhutan	..	..	..	..
38 Brunei	..	..	..	..
39 Djibouti	..	..	..	..
40 Kiribati	..	..	..	..
41 Marshall Islands	..	..	..	..
42 Micronesia, Fed. Sts.	..	..	..	..
43 Palau	..	..	..	..
small states (median)	6.02	7.98	7.13	5.97
Low income	3.03	1.98	1.73	2.46
Middle income	..	..	0.78	1.17

source: 2005 Global Development Finance

Table C.11

Table 11: Standard deviation of the growth rate of GDP per capita

Country	1991-95	1996-03	Country	1991-95	1996-03	Country	1991-95	1996-03
1 Sudan	2.65	0.38	60 India	2.75	1.75	120 Lithuania	9.66	3.23
2 Cameroon	2.94	0.39	61 Poland	5.52	1.76	121 Congo, Rep	3.94	3.26
3 Bangladesh	0.69	0.47	62 Tanzania	1.15	1.78	122 Armenia	11.51	3.39
4 Ghana	0.93	0.54	63 Finland	4.55	1.81	123 Malawi	11.51	3.39
5 Benin	0.68	0.62	64 Yemen, Rep	6.90	1.81	124 Croatia	10.57	3.43
6 Bhutan	1.73	0.62	65 Comoros	5.92	1.85	125 Ecuador	2.07	3.45
7 Swaziland	1.01	0.64	66 Nicaragua	2.70	1.88	126 St. Kitts an	2.32	3.46
8 United Kingdom	2.33	0.71	67 Bahrain	5.89	1.90	127 Azerbaijan	9.33	3.50
9 Nambia	3.90	0.79	68 Netherlands	1.03	1.94	128 Dominica	0.49	3.52
10 Greece	1.83	0.80	69 Latvia	14.06	1.98	129 Gabon	3.95	3.53
11 Spain	1.61	0.86	70 New Caledonia	2.36	1.98	130 Congo, Dem	5.32	3.63
12 Denmark	2.19	0.87	71 Czech Repu	6.38	2.02	131 Fiji	3.55	3.70
13 Italy	1.53	0.87	72 Iran, Islamic	3.86	2.03	132 Mozambique	6.38	3.71
14 China	2.12	0.87	73 Antigua and	4.16	2.06	133 Cote d'Ivoire	3.16	3.71
15 Mauritania	3.11	0.91	74 Nepal	2.22	2.09	134 Guyana	1.53	3.72
16 Slovenia	6.36	0.95	75 Philippines	2.30	2.10	135 Belize	5.67	3.72
17 Jordan	7.79	0.97	76 Tonga	2.32	2.11	136 Niger	4.02	3.76
18 Australia	1.75	0.98	77 Vanuatu	4.81	2.11	137 Kiribati	4.00	3.79
19 El Salvador	1.50	0.99	78 Panama	3.16	2.13	138 Trinidad and	2.78	3.83
20 Botswana	2.02	0.99	79 Honduras	2.87	2.14	139 Georgia	18.21	4.03
21 Guatemala	0.55	1.02	80 Iceland	2.71	2.15	140 Burundi	4.72	4.21
22 Germany	2.16	1.04	81 Portugal	2.58	2.17	141 Hong Kong,	1.69	4.31
23 Egypt, Arab Re	1.52	1.08	82 Syrian Arab	3.15	2.17	142 Central Afri	4.73	4.39
24 Mauritius	0.77	1.09	83 Cambodia	1.44	2.19	143 Lesotho	0.53	4.50
25 Lao PDR	1.50	1.11	84 French Poly	1.84	2.28	144 Kuwait	..	4.54
26 Uzbekistan	4.44	1.13	85 Burkina Faso	3.29	2.31	145 Morocco	7.09	4.59
27 Kenya	2.04	1.13	86 Peru	5.11	2.44	146 Papua New	8.06	4.60
28 Jamaica	0.59	1.17	87 Israel	1.27	2.49	147 Singapore	2.66	4.67
29 France	1.17	1.22	88 Bahamas, T	1.60	2.50	148 Chad	10.45	4.69
30 Austria	1.25	1.23	89 Saudi Arabi	3.57	2.52	149 Ethiopia	11.53	4.69
31 Vietnam	1.45	1.24	90 Colombia	1.66	2.53	150 Romania	8.39	4.88
32 South Africa	2.33	1.26	91 Djibouti	1.79	2.54	151 United Arab	1.65	4.94
33 Guinea	1.93	1.31	92 Sri Lanka	0.90	2.54	152 Grenada	2.31	4.96
34 United States	1.62	1.32	93 Samoa	4.00	2.55	153 Korea, Rep.	1.57	5.07
35 Belgium	1.61	1.37	94 Suriname	4.17	2.55	154 Macao, Chir	3.93	5.10
36 Lebanon	13.93	1.37	95 Zambia	5.33	2.59	155 Seychelles	3.90	5.38
37 Sao Tome and	0.74	1.38	96 Mexico	4.35	2.64	156 Kazakhstan	2.69	5.39
38 Pakistan	2.11	1.41	97 Maldives	..	2.66	157 Malaysia	0.41	5.42
39 Cyprus	3.85	1.41	98 Chile	2.65	2.70	158 Russian Fed	4.53	5.48
40 Slovak Republi	8.68	1.42	99 Ireland	3.09	2.74	159 Togo	11.24	5.56
41 Tunisia	2.14	1.45	100 Taiwan, Chi	0.51	2.75	160 Uruguay	3.77	5.59
42 Hungary	5.93	1.46	101 Mali	4.13	2.77	161 Moldova	14.40	5.70
43 Mongolia	8.61	1.46	102 Belarus	4.07	2.86	162 Thailand	0.83	5.71
44 Sweden	3.03	1.49	103 Macedonia,	2.75	2.91	163 Venezuela, l	4.62	5.75
45 Switzerland	0.90	1.51	104 Malta	0.83	2.91	164 Bulgaria	4.91	5.88
46 New Zealand	3.15	1.52	105 Dominican I	2.55	2.92	165 Turkey	5.53	5.94
47 Senegal	2.70	1.55	106 Luxembourg	2.85	2.96	166 Rwanda	19.54	5.99
48 Bolivia	1.39	1.55	107 Albania	..	2.96	167 Zimbabwe	6.76	6.14
49 Uganda	3.41	1.57	108 Marshall Is	..	2.96	168 Indonesia	0.74	6.32
50 Puerto Rico	1.02	1.57	109 Barbados	3.84	2.97	169 Solomon Isl	2.82	6.33
51 Brazil	2.70	1.57	110 Angola	0.54	3.00	170 Madagascar	3.13	6.45
52 Canada	2.73	1.59	111 Oman	0.54	3.00	171 Ukraine	5.55	6.83
53 St. Vincent an	3.77	1.59	112 Kyrgyz Rep	5.36	3.01	172 Eritrea	8.99	7.14
54 Cape Verde	2.47	1.63	113 Nigeria	1.65	3.02	173 Sierra Leone	8.59	8.62
55 Haiti	6.45	1.67	114 St. Lucia	2.56	3.04	174 Tajikistan	8.02	9.15
56 Japan	1.16	1.69	115 Costa Rica	2.69	3.04	175 West Bank &	..	9.73
57 Norway	0.98	1.70	116 Estonia	9.83	3.11	176 Guinea-Biss	1.55	12.37
58 Algeria	2.50	1.71	117 Micronesia	3.64	3.11	177 Turkmenista	4.97	12.61
59 Paraguay	1.25	1.72	118 Argentina	1.08	3.12	178 Serbia and M	2.54	14.59
			119 Gambia, Tl	1.08	3.12	179 Timor-Lest	..	21.23
						180 Equatorial	5.64	22.32
Memorandum items:						181 Bosnia and l	..	27.11
Low income count	1.72	1.04				182 Liberia	12.53	37.74
Middle income cot	0.60	1.60						
Small states (medi	2.80	2.96						

source: 2005 Global Development Finance

Table C.12

Table 12: Foreign direct investment, net inflows (% of GDP)

	1981	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Std.
Antigua and Barbuda..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Bahamas, The	2.4	-1.3	-0.6	0.0	0.0	0.8	0.7	3.1	2.4	5.3	3.5	3.2	5.1	2.1	3.0	2.8	1.8
Bahrain	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Barbados	8.9	4.1	6.6	0.4	0.9	0.6	0.8	0.6	0.7	0.7	0.7	0.7	0.8	0.7	0.7	2.2	2.7
Belize	-1.0	1.8	4.2	3.0	3.0	1.6	2.6	3.4	2.6	1.8	2.6	6.5	2.1	6.9	2.7	4.1	2.1
Bhutan	0.0	0.0	0.6	0.3	0.0	0.0	0.0	0.0	0.4	-0.2	0.1	0.1	0.0	0.1	0.1	0.0	0.2
Botswana	8.2	4.8	2.5	-0.2	0.0	-6.9	-0.3	1.5	1.5	1.9	1.9	0.7	1.1	0.4	7.5	1.1	3.1
Cape Verde	..	..	0.1	0.5	0.1	1.0	0.5	5.3	5.7	2.3	1.7	9.1	6.3	1.7	2.4	1.9	2.6
Comoros	0.0	0.0	0.2	1.0	-0.5	0.1	0.1	0.4	0.2	0.0	0.2	0.1	0.1	0.5	0.2	0.3	0.9
Cyprus	3.8	2.4	2.3	1.4	1.6	1.3	1.0	4.2	4.8	6.4	3.8	8.8	9.7	10.4	10.8	9.0	3.3
Djibouti	..	0.1	0.0	0.5	0.5	0.3	0.3	0.7	0.7	0.5	0.7	0.8	0.6	0.6	0.6	1.8	0.4
Dominica	0.0	3.0	7.8	8.4	10.6	6.6	10.5	24.1	7.5	8.7	2.5	6.7	4.0	4.5	4.5	0.0	5.3
Equatorial Guinea	..	3.0	8.4	31.6	3.9	14.7	13.5	77.4	145.2	10.8	64.0	28.9	8.1	55.5	15.3	49.1	36.7
Estonia	..	..	0.0	0.0	2.1	4.2	5.5	4.7	3.2	5.4	10.4	5.5	7.1	9.1	4.0	9.8	3.5
Fiji	2.7	2.0	6.8	0.4	6.4	5.6	3.9	3.7	0.1	0.8	5.6	-1.7	-0.9	2.4	1.5	1.0	2.2
Gabon	1.4	0.5	1.2	-1.0	2.3	-2.6	-2.4	-6.3	-8.5	-5.7	3.2	-3.6	-0.9	3.9	2.5	0.9	3.5
Gambia, The	1.1	0.0	0.0	3.2	1.8	3.0	2.7	2.0	2.8	2.9	5.7	11.5	10.3	8.5	11.6	15.2	4.5
Grenada	0.0	3.2	5.8	6.3	9.0	8.1	7.4	7.2	5.8	11.0	14.3	11.0	9.2	14.8	13.9	0.0	4.3
Guinea-Bissau	0.0	1.0	0.8	0.8	2.6	1.4	0.2	0.0	0.4	4.3	2.1	3.8	0.3	0.3	0.5	0.9	1.2
Guyana	-0.3	0.4	2.0	3.7	39.8	15.7	19.7	12.0	8.4	6.9	6.1	6.6	9.4	7.9	6.0	3.5	9.1
Iceland	1.5	0.8	0.4	0.3	-0.2	0.0	0.0	-0.1	1.2	2.0	1.9	0.8	1.8	2.2	1.5	3.3	1.0
Kiribati	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lesotho	1.1	0.0	2.8	1.1	0.3	1.8	2.2	29.5	30.5	26.2	29.7	17.9	13.7	15.2	11.0	3.7	10.8
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..	614.0	350.0	186.7
Maldives	0.0	0.0	2.6	2.7	2.3	2.1	2.4	1.8	2.1	2.2	2.1	2.1	2.1	1.9	1.9	1.9	1.1
Malta	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Marshall Islands	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mauritius	0.1	0.8	1.7	0.6	0.5	0.5	0.6	0.5	0.9	1.3	0.3	1.2	6.0	-0.6	0.7	1.2	1.2
Micronesia, Fed. Sts..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Samoa	0.0	0.0	3.3	1.6	3.0	3.0	1.5	1.7	0.5	8.2	1.3	0.9	-0.6	0.5	0.0	-0.1	1.9
Sao Tome and Princ	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.3	6.5	8.2	7.3	5.7	16.8	4.5
Seychelles	6.6	6.9	5.5	5.2	2.1	4.0	6.3	9.0	5.7	9.5	8.8	8.9	3.9	9.6	8.8	8.1	1.9
Solomon Islands	0.2	0.4	4.9	6.2	5.4	9.0	0.7	0.6	1.7	8.7	2.6	2.7	0.5	-4.9	-0.6	-0.8	3.3
St. Kitts and Nevis	1.6	10.3	30.7	13.0	6.9	7.0	6.9	8.9	14.3	7.2	11.1	19.0	29.3	25.6	22.6	15.3	8.5
St. Lucia	25.1	9.0	11.3	13.4	8.6	7.0	6.3	5.9	3.3	8.2	13.1	12.4	8.0	3.4	4.6	4.6	5.1
St. Vincent and the C	0.7	1.6	3.9	4.2	6.0	13.2	19.3	11.5	15.2	31.3	28.0	17.0	8.7	6.1	9.0	10.1	8.3
Suriname	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Switzerland	..	1.3	2.4	1.2	0.5	0.7	1.4	1.3	1.5	2.8	3.6	4.7	8.0	3.8	2.5	5.5	1.9
Timor-Leste	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tonga	0.0	0.2	0.2	0.3	0.9	1.6	0.6	1.3	1.2	1.8	1.2	1.3	3.0	0.7	1.7	1.7	0.8
Trinidad and Tobago	3.8	0.0	2.2	3.2	3.2	8.3	10.4	5.6	6.2	17.4	12.1	9.5	8.3	9.5	8.9	5.9	4.5
Vanuatu	0.0	3.8	8.7	14.1	14.2	14.2	13.9	13.6	13.7	12.6	8.7	5.7	8.8	8.2	6.4	6.7	4.1
small(median)	0.41	0.81	2.35	1.19	2.12	1.84	1.52	3.09	2.35	4.27	3.51	5.49	5.12	3.78	3.54	3.04	
Low income	0.30	0.37	0.25	0.51	0.62	1.03	1.12	1.29	1.42	1.58	1.53	1.56	1.21	1.57	1.56	1.52	..
Middle income	0.97	0.55	0.66	0.88	1.16	1.67	2.05	2.11	2.35	3.03	3.30	3.56	2.97	3.08	2.75	2.39	..

source: 2005 Global Development Finance

Table C.13

Table13: Gross foreign direct investment (% of GDP)

	1981	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Std.
Antigua and Barbuda	18	7.73	15.48	13.35	4.64	3.34	4.96	6.37	3.58	3.96	3.67	4.92	4.23	6.3	6.62	..	4.81
Bahamas, T	2.41	1.3	0.57	0.44	0.13	0.88	1.78	3.1	2.36	5.34	3.53	3.18	5.12	2.07	3.03	2.79	1.49
Bahrain	0	2.77	9.25	14.58	19.5	13.94	7.31	10.25	38.56	10.71	14.86	9.76	11.61	15.57	14.15	..	8.66
Barbados	1.01	0.59	0.74	0.52	0.99	0.73	0.81	0.81	0.85	0.8	0.71	0.76	0.79	0.78	0.72	2.26	0.37
Belize	..	7.6	4.16	3.04	3	1.64	2.63	3.4	3.45	2.42	3.2	9.17	4.51	6.91	2.71	3.33	1.95
Bhutan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Botswana	23.36	7.86	4.37	7.53	7.79	10.36	3.06	2.33	1.52	2.02	2.12	1.40	1.22	12.09	8.27	..	6.18
Brunei	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cape Verde	..	..	0.17	0.65	0.42	1.19	0.62	5.45	5.73	2.3	1.68	9.21	6.67	1.75	2.4	1.85	2.65
Comoros	0	0	0.57	0.96	0.52	0.07	0.1	0.38	..	..	..	..	..	..	..	..	1.07
Cyprus	3.76	2.4	2.35	1.66	1.77	1.45	1.09	4.42	5.2	6.75	19.96	10.78	11.63	13.07	15.57	13.73	5.54
Djibouti	..	..	..	..	0.49	0.3	0.29	0.65	..	..	..	..	..	..	..	..	0.17
Dominica	0	3.04	7.75	8.44	10.64	6.59	10.49	24.14	7.53	8.65	4.19	6.79	5.75	6.94	4.58	..	5.14
Equatorial C...	..	..	8.38	31.64	3.9	14.66	13.52	77.4	145.2	..	..	..	..	..	..	..	46.94
Estonia	..	..	..	..	2.17	4.67	5.77	4.99	4.76	8.5	12.02	7.73	9.31	14.29	7.44	14.05	3.86
Fiji	2.85	3.17	15.89	9.24	13.77	15.36	16.18	14.87	13.62	12.43	15.05	16.89	..	..	..	..	5.88
Gabon	3.33	2.62	8.37	8.04	9.58	8.26	6.39	12.93	15.63	11.12	6.69	14.5	..	..	..	..	4.25
Gambia, Th	1.04	0	0	3.22	1.77	3.02	2.7	2.04	2.76	2.92	..	..	..	..	..	..	1.54
Grenada	0	3.21	5.82	6.32	9	8.09	7.38	8	6.73	10.99	14.28	11.01	9.2	14.75	13.91	..	4.12
Guinea-Biss..	..	0	0	0	0	0	..	..	..	..	..	..	..	0.4	2.26	..	0.61
Guyana	0.31	0.4	0	0	39.81	15.72	19.73	11.97	8.36	6.94	6.13	6.62	9.42	7.86	6.03	3.52	9.15
Iceland	1.52	0.81	0.96	1.73	1.58	0.98	0.83	0.89	2.33	3.17	3.39	3.99	9.17	8.07	6	3.91	2.47
Kiribati	0	1.03	1.05	1.5	1.4	4.17	1.38	..	..	..	..	..	..	..	..	..	1.17
Lesotho	1.10	0.00	2.78	1.09	0.32	1.84	2.24	29.51	30.49	26.18	29.75	17.93	13.71	15.24	10.97	..	11.05
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,343.1	695.6 457.88
Maldives	0	0	2.6	2.66	2.32	2.14	2.46	1.81	2.07	2.24	2.13	2.09	2.09	1.88	1.94	1.89	1.12
Malta	3.46	2.07	1.98	4.13	4.73	2.33	5.84	20.28	10.69	6.38	11.38	24.22	23.79	16.2	20.64	6.91	7.71
Marshall Isl	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mauritius	0.06	0.78	1.75	1	1.95	1.45	0.62	0.58	0.94	1.33	0.62	1.34	6.3	0.67	0.9	1.31	1.23
Micronesia, ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Nambia	..	..	5.04	5.09	4.35	2.31	3.20	4.47	5.70	2.55	3.59	2.55	6.13	17.25	5.99	6.94	3.72
Palau	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Qatar	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Samoa	0	0	0	0	0	0	0	0	0	0	0	0	..	..	..	..	0.00
Sao Tome a	0	0	0	0	0	0	0	0	0	10.29	6.48	8.17	7.28	5.68	..	..	3.33
Seychelles	11.24	13.15	5.8	5.52	2.35	4.19	9.05	12.37	8.21	11.24	9.24	10.31	5.05	11	10.06	..	2.72
Solomon Isl	0.18	0.42	4.94	6.18	5.38	8.98	0.71	0.62	1.67	9.02	3.26	3.6	..	..	..	..	2.93
St. Kitts and	1.59	10.26	30.64	13.03	6.89	7.12	6.92	10.77	14.32	11.38	12.16	18.95	29.25	25.66	22.57	..	8.53
St. Lucia	25.09	8.99	11.28	13.38	8.57	6.94	6.28	5.84	3.72	8.25	13.05	12.38	8.03	3.89	7.1	..	4.97
St. Vincent :	0.67	1.59	3.87	4.19	5.96	13.15	19.29	11.5	15.16	31.29	27.95	17.19	11.25	6.08	9	..	8.46
Suriname	6.19	2.18	19.24	4.77	13.42	10.71	4.99	3.2	2.21	1.12	0.82	6.93	16.87	3.45	7.79	6.59	11.04
Switzerland	..	5.86	4.7	3.46	2.76	4.06	5.37	4.91	7.12	10.38	11.84	18.84	28.59	11.96	11.24	9.37	6.40
Timor-Leste	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tonga	0	0.2	0.18	0.28	0.88	1.56	..	..	..	..	..	..	..	..	..	..	0.45
Trinidad and	3.77	6.46	3.09	3.16	3.22	8.27	12.49	5.61	6.17	17.42	12.07	13.33	9.02	12.26	10.43	..	4.71
Vanuatu	..	3.81	8.7	14.07	14.14	14.21	13.93	13.62	13.69	12.62	8.7	5.73	8.76	8.16	4.02	6.29	3.67
small(medi	1.04	2.07	3.48	3.34	2.88	3.7	4.0801	4.99	5.70	6.85	6.69	7.73	8.76	7.97	7.10	5.10	
Low income	0.31	0.41	0.41	0.52	0.72	0.86	0.87	1.23	1.62	1.67	1.59	1.77	1.29	1.6	1.54	..	
Middle inco	1.25	0.72	1	1.29	1.8	2.28	2.35	2.55	2.76	3.56	3.98	4.53	3.95	4.45	3.84	3.42	

source: 2005 Global Development Finance

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