
ECONOMIC DEPENDENCE AND THE SIZE OF NATIONS

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I. INTRODUCTION

A major and well-known characteristic of the economies of the under-developed countries (UDCs) is their overspecialized productive structures and heavy dependence on the foreign trade sector.

Several economists have argued that the degree of specialization and dependence on foreign trade for a given nation is a function of the size of that nation and that the larger the size of a nation the lower its degree of specialization and dependence on foreign trade, and vice versa. These same economists have concluded that the high degree of specialization and dependence on foreign trade that characterizes a typical underdeveloped country (UDC) must be the result of its typically small size⁽¹⁾. Kuznets went one step farther and argued that, while the impact of size on the degree of specialization and dependence on foreign trade exists for both UDCs and advanced countries, it is particularly true in the case of the latter⁽²⁾.

This paper attempts to investigate whether there exists an inverse relationship between the size of a nation and its degree of specialization and dependence on foreign trade for both UDCs and advanced countries.

In Section II, four dependence indicators will be introduced and discussed. These indicators will stand as proxies for specialization and dependence on foreign trade. In Section III, the meaning of size will be given. In Section IV, the empirical findings will be presented and evaluated. Finally, in the Conclusion, the findings will be summarized and a few suggestions will be made.

II. DEPENDENCE INDICATORS

We have developed elsewhere an analytical framework for the concept of economic dependence and operationlized it by developing a set of eight dependence indicators or indices⁽³⁾. Here, we will make use of only the most important four of these indicators, for which adequate data exist. The term economic dependence or simply dependence is taken, here, to refer to the degree of specialization and openness that characterizes a given economy.

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1. The Over-All Trade Indicator (IOT)

$$IOT = \frac{M+X}{GNP}$$

Where,

M = total imports,

X = total exports,

GNP = gross national product,

IOT = over-all trade indicator .

The over-all trade indicator (IOT) is the ratio of the sum of the exports and imports of a country over its gross national product. It represents the overall openness of an economy. The higher this indicator, the more vulnerable the country in question is to the "winds of trade". That is, a country with a high degree of economic openness is subject to sharp economic fluctuations that are induced by factors that are outside the control of national authorities. As we will see shortly, a high degree of economic openness (high IOT) is not restricted to the UDCs. Some advanced countries such as Britain, Switzerland and Japan are also characterized by high overall trade dependence. What constitutes economic dependence for an UDC is a whole set of dependence indicators. The existence of one element of dependence for an advanced country — a high overall trade dependence — makes that country economically vulnerable but not dependent.

2. The Export Commodity-Concentration Indicator (Icc)

$$Icc = \frac{Xc1 + Xc2}{X}$$

Where,

Xc1 = value of the leading export,

Xc2 = value of the second major export,

X = total exports,

Icc = export commodity-concentration indicator.

The export commodity-concentration indicator measures the ratio of the sum of a country's two⁽⁴⁾ leading exports to total exports. While the first indicator of overall trade dependence measures the overall importance of the foreign trade sector to a given economy, or its level of openness, the export commodity-concentration indicator (Icc) — the following two indicators — looks at the composition of a country's foreign trade. More specifically, this indicator attempts to measure the degree of specialization in a country's economic structures (as seen from its exports).

An unduly high export commodity-concentration indicator, combined with sharp fluctuations in the prices of exports — as is the case for a typical UDC — would most likely hamper the implementation of any development plan or strategy that a country might have devised. This is so because of the associated sharp fluctuations in the country's foreign exchange receipts and the concomitant reduction in the country's capacity to import urgently needed capital and intermediate goods. Even the targets formulated in the country's annual budget would have to be often and sharply modified.

In addition, in a typical UDC of the enclave-type, even in good times when its few exports are in high world demand, the high returns that the export sector may earn for the country in question would not create much linkage and multiplier effect in other sectors of the economy because of the dual character of the economy. This means that the highly specialized export sector of the typical UDC would not generate a process of a self-propelling and autonomous growth.

3. The Trading Partner-Concentration Indicator (ITP)

$$ITP = \frac{XTP1 + XTP2}{X}$$

X

Where,

XTP1 = value of exports going to
the major trading partner,

XTP2 = value of exports going to
the second most important trading partner,

X = total exports,

ITP = trading partner-concentration
indicator.

The trading partner-concentration indicator (ITP) measures the geographic concentration of a country's exports in two of its trading partners (5, 6). A high trading partner-concentration indicator is an element of dependence since the economic activity and well-being of a country depends heavily on the economic and political conditions of one or two of its trading partners (7). The assumption that is being made here is that a country should behave, in this respect, like a private investor. In order to minimize risk a private investor seeks to diversify his portfolio. Similarly, a country should seek to diversify its exports and increase the number of its trading partners. For, if for one reason or another, the export market for a product should suddenly close or worsen, the country in question should be able to turn to the export of other products to the same or to other partners.

4. The Capital-Goods Import Indicator (ICG)

$$ICG = \frac{MCG}{M}$$

M

Where,

MCG = value of capital-goods imports,

M = total imports,

ICG = capital-goods import indicator.

The capital-goods import indicator (ICG) is the ratio of the imports of capital-goods to total imports. Like the previous two indicators, this one looks at one aspect of the composition of a country's foreign trade namely, the importance, or lack of it, of the imports of capital-goods.

While technology and capital-goods are not synonymous, we do assume, however, that capital-goods embody, in the main, the technology that is prevalent at any given time, and that a country which produces, by itself, a relatively high ratio of its needs of capital-goods (say over 50%) is assumed to be a country which has developed its own technology, or at least, has adapted a foreign one. We have shown elsewhere that out of eight indicators, the capital-goods imports indicator was found to be the one with the highest and most significant association with economic growth in thirty-eight UDCs(8). It may be inferred from this that a country which imports most of its needs of capital-goods (and embodied technology) is a country whose economic growth depends, in a major way, on foreign sources that can, for one reason or another, interrupt, or at least disrupt, the smooth flow of urgently needed capital-goods. In other words, a country which imports most of its capital-goods is a dependent country since its economic growth and well-being significantly depend on a foreign technology that is controlled by foreign authorities.

III. THE SIZE OF NATIONS

Economists have taken the size of a nation to mean one or more of the following: its population, its land area and its national product. Yet, for empirical purposes, most economists have taken the the size of a nation to mean its total population. This choice is partly made because of the better statistics that are available on population, and also because the meaning of population is more obvious than, for instance, the meaning of land area (total land area; usable land). In addition, the choice is partly justified by the high, if not perfect, correlation between total population, total land area and national product (9). In this vein, Kuznets defines a small

size nation as an "independent sovereign state with a population of ten millions or less."⁽¹⁰⁾ But, as Kuznets emphasizes, the separating line between small and large size depends on the distribution of other nations' size and on the "differences in the economic and social potentials that we wish to emphasize."⁽¹¹⁾

In this paper, we will follow Kuznets' example and take the size of a nation to mean its population. In addition, we will consider three categories of size: small, moderate and large. A small size nation is one with a population of less than 10 millions. A moderate size nation is one of a population between 10 and 30 millions. A large size nation is one whose population is over 30 millions.

IV. THE EMPIRICAL FINDINGS

We have selected two samples. The first one contains thirty-eight UDCs, while the other is a comparison group of seven economically advanced nations. The basis on which the two samples were selected, the nature of the data and its limitations, have been discussed elsewhere.⁽¹²⁾

TABLE 1

Dependence Indicators for Thirty-Eight UDCs:

**1965-67
(Percentages)**

Country	IOT	ICC	ITP	ICG (1966-68)
Algeria	53.08	76.93	75.22	23.73
Argentina	16.39	47.10	26.97	34.30
Bolivia	40.10	76.11	85.81	36.80
Brazil	7.72	53.00	41.26	28.70
Burma	20.80	75.00	26.30	31.60 (1964-66)
Ceylon	47.50	76.99	36.28	18.00 (1965-67)
Chile	28.21	82.42	37.66	30.00
China (Taiwan)	37.69	12.10	47.11	41.40
Colombia	21.23	78.03	57.55	27.80 (1965-67)
Costa Rica	49.71	62.15	57.54	23.30
Dominican Rep.	27.40	69.40	87.56	16.00
Ecuador	32.69	74.28	65.99	33.10
Egypt	27.04	63.17	32.51	14.10 (1965-67)
El-Salvador	39.28	69.28	49.04	20.20
Ghana	31.73	75.37	33.83	22.50 (1969-67)
Guatemala	31.80	74.59	45.74	22.20

Honduras	53.10	62.09	69.95	24.70
India	14.93	35.51	36.49	34.20
Iran	36.78	91.28	39.24	26.80 (1965-67)
Jamaica	62.52	45.60	65.53	10.50
Korea (South)	25.79	15.84	65.77	37.10
Lebanon	46.72	13.42	34.73	2.80 (1965-67)
Liberia	89.00	92.16	61.26	27.10 (1965-67)
Libya	89.16	99.62	46.05	18.70
Mexico	12.74	40.82	50.92	12.90
Morocco	32.50	43.48	45.90	17.30
Nigeria	32.10	50.10	23.97	15.60
Pakistan	12.15	79.15	76.82	47.30
Panama	44.99	50.00	51.95	33.80
Paraguay	22.35	42.62	54.24	39.10
Peru	31.92	55.70	75.30	4.80
Philippines	29.60	35.98	37.33	17.30 (1965-67)
Tanzania	50.62	45.39	30.10	44.80
Thailand	36.62	42.52	41.30	16.70
Tunisia	41.13	45.67	33.39	41.06
Turkey	11.15	60.26	29.48	21.70
Uruguay	35.01	97.28	57.50	33.10
Venezuela	49.07			
Mean:	37.94	58.78	49.86	23.15

Source: *Yearbook of International Trade Statistics*, especially the 1968 issue; the United Nations' *Yearbook of National Accounts Statistics*, several issues, the United Nations' *International Trade Statistics*, 1968; and the United Nations' *World Economic Survey*, 1969-70.

TABLE 2

The Relationship Between The Size of Thirty-Eight UDCs And Their Dependence
Indicators: 1965-67
(Percentages)

Type of Size	IOT	ICC	ITP	ICG
Small (1-10 millions)	45.05	68.09	55.43	24.4
Moderate (10-30 millions)	34.85	57.67	45.59	27.7
Large (30 millions)	20.98	43.13	44.59	30.8

Source: Data on population is from the United Nations' **Monthly Bulletin of Statistics**, December 1972, the rest is computed from Table 1.

Our analysis, here, follows this procedure: we first discuss the values of the dependence indicators for our sample of thirty-eight UDCs, then the impact of size on these indicators. Next, we discuss the values of the dependence indicators for the group of seven advanced countries. Finally, we compare the dependence indicators of the thirty-eight UDCs with those of the seven advanced countries and find out the impact of size on the two groups of countries.

From Table 1 (Column 1) we can notice that the range of the over all trade indicator (IOT) of our thirty-eight UDCs stretches from a low of 8% for Brazil to a high of about 90% for both Libya and Liberia. In addition, the average over all trade indicator for these thirty-eight UDCs is about 30%, which means that for the typical UDC the sum of its exports and imports constitute about two-fifths of its GNP. The fact that Libya and Liberia are among our smallest countries while Brazil is one of the largest gives a first indication of the existence of an inverse relationship between size and overall trade dependence. This is reinforced by the fact that the five countries which come closest to the lower limit of overall trade dependence (set by Brazil) are: Turkey (11%), Pakistan (12%), Mexico (13%), (India (15%) and Argentina (16%). All of them are among the largest in our sample. By contrast, the countries which come closest to the upper limit of overall dependence (set by Libya and Liberia) are a blend of small and moderate size countries: Jamaica (63%), Algeria and Honduras (53%), Tanzania (51%), Cost Rica (50%) and Venezuela

(49%). Thus, it seems that the effect of size is more apparent in the case of large countries (which tend to have low over all dependence) than in the case of small and moderate size countries.

A more formal analysis of the impact of size can be had from the grouped data of Table 2 (Column 1). As we move from small to moderate to large size, the overall trade indicator declined from 45% to 35% to 21%. This tends to confirm the inverse relationship between size and overall trade dependence. This finding is reinforced by the fact that the correlation coefficient between size and over all trade indicator was found to be $-.27$. This coefficient was found to be statistically significant at the 10% level of significance, but not at the 5% level. This means that, while the inverse relationship between size and over all trade dependence is confirmed, the association between the two is not very strong. It can be inferred from this that there must be factors other than size that help explain the typical UDC's high overall trade dependence.

Looking at the export commodity-concentration indicator (ICC), Table 1 (Column 2) shows that the range of this indicator has a lower limit of about 12% for China (Taiwan) and an upper limit of nearly 100% set by Libya. This means that Taiwan's exports are highly diversified while Libya's exports are nearly completely concentrated in a single product — oil. The average export commodity-concentration indicator is extremely high and approaches the 60% mark, which means that a typical UDC's one or two leading export products constitute nearly two-thirds of its total exports.

Other countries of very high export concentration in one or two products are Venezuela (97%), Liberia (92%), and Iran (91%). On the other hand, countries of highly diversified exports are Lebanon (13%), South Korea (16%) and Mexico (23%).

It appears from the above that, for one thing, countries of high export concentration in one or two products are those in which one or a few important mineral resources have been discovered with the oil-producers being the best example, followed by Chile (copper) and Bolivia (tin). Inversely, countries which possess no important mineral resources tend to have substantially higher diversification in their exports (Taiwan, Lebanon, South Korea). Yet, the extremely high concentration in the exports of the so-called one-staple countries (the one staple being one of the following: coffee, tea, rice, cocoa, banana, etc.) such as the Central Latin American countries, Ceylon, Ghana and Burma, do not seem to fall under the observation just stated. Here the climate, rather than mineral resource endowments, seems to be the overriding cause of the excessive export specialization of these countries.

As to the impact of size on the concentration of the UDCs's export, a first hint can be had from Table 1 (Column 2). It can be seen that both the countries that set the upper limit to overspecialization in exports (Libya and Liberia) and those that set the lower limit (Taiwan and Lebanon) are of small size. This may suggest, at first glance, that the size factor may not have an appreciable impact on the overspecialization of the UDC's exports. Yet the more formal analysis of Table 2 (Column 2) shows that there exists an inverse relationship between size and export concentration. As we move from small to moderate to large size, the export commodity-concentration indicator declines from 68% to 58% to 43%, though the rate of decline in this case is less than was the case with the overall trade dependence. This means that the overall trade dependence of an UDC is more affected by the size factor than is the case with export concentration. This conclusion is confirmed by the formal correlation analysis which gives a correlation coefficient between size and export commodity-concentration of $-.25$ as compared to a correlation coefficient of $-.27$ found earlier between size and overall trade dependence. It follows that the inverse relationship between size and export commodity concentration is confirmed, yet the correlation coefficient ($-.25$) was too small to be statistically significant at the 5% level of significance. Again, it seems that factors other than size are important in explaining the high exports concentration in the UDCs.

Moving now to the third indicator — the trading partner-concentration indicator — Table 1 (Column 3) shows that the average trading partner-concentration is about 50%, which means that half of a "typical" UDC's exports are concentrated in one or two of its trading partners. It is to be noticed that we found that during the period covered (1965-67) the great majority of the UDCs still have their former colonial power (Britain, France, Japan) as the first or second trading partner, the other one being the United States or West Germany.

As to the association between size and trading partner-concentration, we have a first hint from the fact that the countries of high trading partner-concentration: the Dominican Republic (8%), Bolivia (86%), Panama (77%), Algeria and the Philippines (55% each) are a blend of small, moderate and large size countries. Even the countries of low trading partner-concentration: Pakistan (24%), Burma (26%), Argentina (27%) and Uruguay (29%) belong to the categories of large and small size. It seems, at first, that the size factor is not that important in explaining the relatively high trading partner-concentration indicator of the typical UDC.

The more formal analysis of Table 2 (Column 3) shows, however, an inverse, though weak, relationship between size and trading partner-concentration. As we move from small to moderate to large size, the trading partner-concentration indicator

declines from 55% to 46% to 45%. This negative, but weak, association is confirmed by the formal correlation analysis which finds a correlation coefficient of $-.24$. It is interesting to note that a recent book fully devoted to the question of size of nations, and taking a different sample from ours, has found an identical correlation coefficient of $-.24$ between size and trading partner-concentration⁽¹³⁾. This correlation coefficient was found to be statistically insignificant at the 5% level of significance. Once more, size is not sufficient to explain the high trading partner-concentration of the typical UDC.

Finally, Table 2 (Column 4) shows that as size increases from small to moderate to large, the capital-goods import indicator increases from 24% to 28% to 31%. Here, the relationship between size and capital-goods imports appears to be a positive one: the larger the country, the higher its imports of capital goods. This may be explained by the fact that large UDCs are likely to have more ambitious development plans in which capital-goods imports constitute a major component. Still, the correlation coefficient between size and capital-goods imports is as small as .12 which is statistically insignificant even at the 10% level.

Yet as we have shown elsewhere, the dependence of the UDCs on the imports of capital-goods, and associated technology, is growing over time rather than declining. Thus, between the early fifties and mid-sixties the "typical" UDC's imports of capital-goods have increased from about 18% to about 23%.⁽¹⁴⁾

The Relationship Between Size And The Dependence Indicators Of Seven

Advanced Countries: 1964-67

(Percentages)

Country	1964	1965	1967
United States	21.10	19.36	30.56
Britain	24.85	19.18	17.08
Japan	24.15	18.56	25.12
Switzerland	22.18	18.23	25.76
Sweden	19.33	18.43	22.70
Belgium-Luxembourg*	18.73	21.75	29.01
Netherlands	9.35	17.31	12.22
Mean:	19.18	19.78	20.94
Mean of the four Small Countries	21.15	20.47	24.37
Mean of the three Large Countries	18.60	18.62	20.22

* Belgium and Luxembourg are lumped together because the United Nations' statistics lumped them together.

Source: The same as those given under Table 1.

Having discussed the dependence indicators for our sample of thirty-eight UDCs, let us now have a look at the dependence indicators for the sample of seven economically-advanced nations. It can be seen from Table 1 and 3 that the average overall trade dependence for the thirty-eight UDCs is 38% while the corresponding one for the seven advanced countries is only 19%. This means that the typical UDC is twice as open to foreign trade as the typical advanced country. Even when we overcome the question of size by comparing UDCs and advanced countries of similar size, a major gap continues to exist. Thus, the eighteen small countries in our sample of thirty-eight UDCs have an average overall trade of 45% while the corresponding one for four equally small advanced countries is only 21%. It follows that the difference in size between UDCs and advanced countries does not explain the great difference between the two in their degree of openness on foreign trade. Size seems to have more of an impact when we compare large UDCs with large advanced

countries. The average export share for the UDCs is 21% while the corresponding one for large advanced countries is 12%.

This finding is especially important in view of export commodity-concentration. The average export commodity-concentration for the thirty-eight UDCs is 54% while the corresponding one for the seven advanced countries is only 20%. This means that the average UDC is more commodity-concentrated in its exports than the average advanced country. Even when we eliminate the effect of size, we find that the average export commodity-concentration of the eighteen small UDCs is 68% while the corresponding one for the four small advanced countries is only 20%. Also, the average for the ten large UDCs is 46% while the corresponding one for the three advanced countries is only 18%.

As to the trading partner-concentration, the average indicator for the thirty-eight UDCs is about 10% while the average for the seven advanced countries is about 51%. In addition, the average trading partner-concentration for the eighteen small UDCs is 55% while the corresponding one for the four small advanced countries is 36%. Moreover, the average for the large ten UDCs is 45% while the average for the three large advanced countries is 35%. We conclude by saying that even here the gap exists between UDCs and advanced countries in their trading partner-concentration, though the gap is somewhat narrower than with the previous indicator, the reason possibly being the emergence of the European Common Market which has encouraged trade concentration among its members.

Finally, the figures on capital-goods imports show that the average large UDC's imports of capital-goods constitute about one-third of total imports, while large advanced countries' imports of capital-goods are practically negligible. On the other hand, the average imports of capital-goods by the eighteen small UDCs is about one-fourth of total imports which is equal to the percentage of capital-goods imports by the average four small advanced countries. However, while small UDCs export no capital-goods, equally small advanced countries (Switzerland, Sweden, Belgium, Luxembourg and the Netherlands) have one-third of their total exports made of capital-goods.

IV. CONCLUSION

This paper has attempted to shed some new light on the relationship between the size of nations and their economic dependence. The hypothesis that states an inverse relationship between size and economic dependence has received some support from this study, especially in the case of overall trade dependence. This was

true when we studied the two groups of UDCs and advanced countries separately. Yet, the association between size and economic dependence was more apparent in the case of the advanced countries. When we compared the economic dependence of the two groups of countries, we found that the size factor was not that important in explaining the high dependence of the UDCs and the relatively low dependence of the advanced countries. We have suggested that, other than size, factors such as natural endowments (climate and mineral resources) may have been important in explaining the high dependence of the UDCs. This indicates that at one historical point the principle of comparative advantage induced many UDCs to take advantage of their climate and mineral resources and to specialize in the production of a few products. But it seems that ever since, the deliberate policies followed by the colonial and neo-colonial powers have tended to keep the UDCs in the narrow and static framework of comparative advantage which has resulted in increasing the overspecialization in the economic structures of the UDCs.

As the UDCs have become politically independent, many elements of traditional economic dependence (as indicated by high over-all trade dependence, export commodity-concentration, and trading partner-concentration) are being and will continue to be reduced. Yet, a new and more dangerous form of dependence is emerging. This is the greater dependence on the UDCs on importing foreign technology in order to meet their development targets. Large UDCs may hope eventually to develop their own technology and capital-goods industries, but small UDCs have no such hope because of their very smallness. Small countries are condemned to either perpetual dependence, or to regional integration. In the final analysis, the ultimate test of economic dependence and independence is whether a country can, or cannot, generate its own technology and most of its capital-goods needs.

FOOTNOTES

- (1) See for instance, William Demas, **The Economics of Development in Small Countries With Special Reference to the Caribbean** (Montreal : McGill University Press, 1965). Also Simon Kuznets, "Economic Consequences of the Size of Nations" in **Economic Consequences of the Size of Nations** (New York: St. Martin's Press, 1960).
- (2) Kuznets, Op. Cit, P. 18.
- (3) Karam, Antonios, **Economic Dependence and Economic Growth, An Analytical Framework and Empirical Study**, an unpublished doctoral dissertation (Temple University, 1974) Chapter 2.
- (4) * For both export commodity-Concentration and trading partner-concentration, we took two commodities and two trading partners as a reasonable compromise. To take more than

two would confuse the meaning and interpretation of concentration. To take only one Commodity, or one trading partner, would not show the full weight of concentration in the UDCs's trade structures.

- (5) * We included exports in this indicator, and not imports, because these were included in the over all trade indicator. To include them here would only confuse the dependence ranking.
- (6) See footnote 4.
- (7) * When the few trading partners have equally high partner-concentration with one another, this would constitute an element of interdependence, rather than dependence (dominance). For more on this see our dissertation cited in footnote 3, chapter 2.
- (8) See our dissertation cited in footnote 3, p. 124.
- (9) Kuznets, op. cit., pp. 16-17.
- (10) Ibid., p. 14.
- (11) Ibid.
- (12) See our dissertation cited in footnote 3, chapter 3.
- (13) Khalaf, Nadim, **Economic Implications of the Size of Nations** (Leiden : E. J. Brill, 1971), p. 80.
- (14) See our dissertation, op. cit., Tables 13 and 16, pp. 89-92.

التبعية الاقتصادية وحجم البلدان

د . انطونيوس كرم

يهدف هذا البحث الى اختبار الفرضية التى تقول بوجود علاقة عكسية بين التبعية الاقتصادية لبلد ما وحجمه . ولهذا يقوم البحث أساسا بمعرض ومناقشة أربعة مؤشرات للتبعية الاقتصادية ، ثم يحدد مفهوم حجم بلد ما . وبعد ذلك يتناول بالتحليل النتائج الاحصائية من وجهة النظر الاقتصادية لمؤشرات التبعية وحجم البلد والعلاقة بينهم . وبصفة عامة اتضح من هذه المعالجة العلاقة العكسية بين حجم بلد ما وتبعيته . فبالنسبة للدول المتخلفة اقتصاديا وجدنا ان العلاقة ضعيفة بوجه عام . أما بالنسبة للدول المتقدمة اقتصاديا وجدنا ان العلاقة قوية .

كما اظهرت المعالجة ان معظم المؤشرات التقليدية للتبعية قد انخفضت منذ ان حصلت الدول المتخلفة اقتصاديا على استقلالها السياسى . لكن تبعيتها أخذت طابعا جديدا وخطرا اذ اتخذ صورة اعتماد متزايد على استيراد التكنولوجيا . واخيرا انتهى البحث الى النتيجة القائلة بان الدول المتخلفة اقتصاديا والكبيرة الحجم يمكن لها تطويع التكنولوجيا الحديثة بما يتفق وخصائص مواردها الاقتصادية اذا ما اتبعت استراتيجية انمائية ناجحة . أما الدول المتخلفة اقتصاديا والصغيرة الحجم فليس امامها بصفة عامة سوى اختيارين : الاول هو تكامل اقتصادى اقليمى حتى تستطيع ان تتغلب على معوقات الحجم الصغير والثانى هو ان تبقى فى حالة تبعية مستمرة كوحدة متخلفة .