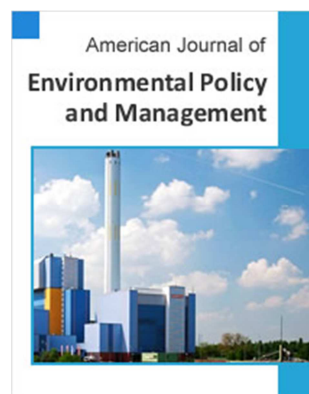




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Health Cooperation, Looking for a Unique World Framework

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Abstract

The aim of this article is to conduct a reflection in order to promote international cooperation which facilitates global development and growth focused on health based on public social security. Using historical events, we propose a possible Social Security entity in poorest developing countries managed by the world organizations on the basis of "the big push" due to Roseinstein-Rodan (1943), in contrast, we assume both the emerging countries and the developed countries do already possess one. Therefore, cooperation among the globalized economies making social security an engine of growth able to increase economic performance all over the world and reduce both poverty and inequality can hold, since convergence may occur.

1. Presentation of the Problem

After the fall of the Berlin wall in 1989, ending communism, the economies of the whole world tend to liberalism or market based economy and cease the use of the planning models such as Harrod and Domar¹ and also the soviet union planning model based on Karl Marx thought politically except North Korea which still to be a Communism country until today. At the same moment, two things occur: transition toward market based economy of the Communism countries even Russia which is today among the most richest countries in the world, integrated the closed G8 circle, and appeared at almost the same time, the four dragons Asian countries i.e between 1990-2000, and highlight the highest growth rates in the world and thus, are called "the Emerging Countries"². Therefore a third country's category is introduced inside the economy in contrast to before that period i.e between the 1950s and the 1990s years, there were only two categories which are the developing and the developed countries. Indeed, the interaction between all the countries of the whole world both in labor and factor mobility raised the concept of Globalization which yields to a need for a unique model in order to promote growth and development sustainability³ all over the world.

1 Harrod and Domar is the first growth model inspired by the book of Keynes (1936)

2 Recalling that, in one of my articles, I showed that economic performance increase follows several stages which are summarized, first, by an inverted U-shape curve to highlight development sustainability, corresponding to the first through the third Rostow (1960), stages of economic development. The same curve keeps increasing and describes a parabolic curve which both summarizes growth and highlights the 4th as well as the 5th stages of economic development always in the spirit of the work of Rostow (1960), but now, this second part of the curve displays economic growth. Therefore, ex-ante equilibrium or development in its first stage is relied to an inverted U-shape curve in contrast to the ex-post equilibrium which is relied to the economic growth curve and symbolized an advanced country in economic performance.

3 Development sustainability is measured by IDH index, composed of: education, per-capita income and life expectancy. In contrast, growth is measured by GDP only which is mostly applied to developed countries. Because the Emerging countries measure is unknown and not built yet, the study proposed is going to propose one adapted measure to know how they perform economically³. Since it is difficult to establish a kind of universality about the way their economic growth can be accounted because of their high population size, reducing per-capita income, so that it becomes non adapted for comparison with poor countries where population size are low as well as labor productivity and firm's performance, and thus, in countries such as Congo (BZV) and Gabon, per-capita income are higher than in emerging countries but economic performance are lower making IDH as well as GDP not suitable measures for Emerging country's growth sustainability with free poverty and inequality absence.

on the basis of Social security system cooperation, since it includes social risks of the agents as well as their health state and education to increase their productivity and the firm competition added to the fact that, disease can travel from one place to the other. Unfortunately, the unique framework needed, raised several problems for the homogeneity to hold. There are four main problems which are, *first*, the ethical norms required because of the work of the children and corruption in developing countries, *second*, the income distribution equality both within and among the countries to reduce or to avoid poverty, *third*, the problem of public goods management or how to equilibrate market failure through the government intervention. *Fourth*, the question of identity which calls out cultural aspects depending on the level of evolution achieved by the country to understand the agent's behavior and establish a unique policy.

Finally, the unique framework needed in order to facilitate globalization should lead to the establishment of a kind of public social security or health state leading to growth and development parameters because of several other problems such that VIH/AIDS and Ebola virus in developing countries mostly, Obesity in Western countries, Natural resources management specifically pollution in Emerging Countries where China belongs to the most polluting country in the world, food safety because of accidents like the avian influenza on animals eat by the human beings and also climatic reheating.

Focusing on the way health maintenance through the World Social Security cooperation system may lead to economic performance increase of the countries in a globalization context of the economy, Social Security in developing world will be an entity created through International Organizations' missions and will work closer to the Western public health system. The French system was created in 1945 after the second post world war, the US social security act was established in 1935 and the British as well as the German social security created between 1935 and 1945. The US social security act was validated because of the great depression of the year 1930s mainly caused by the Jean Baptiste Say law in real economy in response to financial system non stability reaching the whole economy of the country first and crosses abroad through transfers mechanisms.

Say law guarantees that all production supply creates its own demand, thus the equilibrium of the market is established by itself and unemployment was inexistent. Indeed, the main aim of the Keynes (1936) book was to reject the Jean Baptiste Say law through the Effective Demand Principle⁴ for the government intervention to correct the

market failure and regulate the economy. Thus yields the first planning models which were left behind after the year 1990 with Marx influence cease both in politics and in economy.

The government's several interventions to maintain the equilibrium between spending and funds in S.S. system led to more restrictions decisions in the concern of its access for many agents of the economy i.e from middle class to poor people. Health spending had thus introduced inequalities which impact can be viewed in labor productivity, indeed in firms' competition and finally in Economic growth measured by the GDP⁵.

After the Roma Club Report in 1972, Economists have introduced environment in growth analysis through the concept of development sustainability in the long run in the 1990s (Bovenberg and Smulders, 1995; Stockey, 1998) and believe that health state is closely links to economic growth at the same weight as human capita discovered and introduced in analysis in the middle of the 1980s in order to explain how are generated innovations through R&D conduction yielding to high quality goods in their application in good production (Eicher, 1996).

Consequently, the question becomes now, how do the link between social security and growth may yields gain in exchange trade which occurs in international market?

In other word, how should work social security for the country to increase its economic growth rate, reducing its unemployment rate and kept or gain a stronger position in international market?

The answer or the analysis conducted excludes financial frictions causing crisis in real economy making growth volatility increase specifically in developed world first and may transmitted to the other parts of the world as in the 1980s when interest rate became too high and caused debt to the developing world because the developed world were their funds providers, thus led both the World Bank and IMF establish *Structural Adjustment Policy* to make those economies regain macroeconomic stability.

Whereas, almost all the OECD countries do possess the Social security system like some of the Emerging countries, the remaining question is how to create one in developing world and to make them all cooperate and yields homogeneity to exhibit growth and development?

Developing countries are mostly managed by the World Organizations such as WHO (world health organization), WB (world bank), IMF (international monetary funds), UNESCO and FAO, PNUD,...don't possess one i.e a social security system in the spirit of the Western countries' system which gathered all missions in one i.e financial assistance of all

4 The principle of effective demand is the most distinct macroeconomic novelty within The General Theory. It can only be understood as a consequence of decision making in a business environment characterized by fundamental uncertainty. Entrepreneurs do not know, and cannot know, what the future will bring with certainty. On the other hand they have to make decisions on production, investment and employment which take time and range into this uncertain future.

5 The question addressed by the project is how to make the United States cooperates with other countries on the basis of Social Security or health maintenance in order to bring stronger on foreign competition and create employment through growth increase in economic globalization context i.e multi interactions of all the economies in the whole world market. *So why do US firms are unable to face competition against emerging countries and maintain agent's welfare to avoid financial crisis such that "subprimes" and protect agents more against social accidents?*

kinds to avoid poverty and maintain a threshold income level for everybody. Using Roseinstein-Rodan (1943), we adopt coordinated investment policy to gather the missions of several same organizations kinds to create an entity of social security for growth and development purposes⁶ in order to cooperate with the rest of the world to establish globalization of the economy.

The Creation of the Social Security Entity explained above is a mixture of several missions of the World Organizations i.e the World Bank for the appropriate Economic Policy to conduct, the IMF for financial support of consistency projects, UNESCO to support Education and World Health Organization devoted to health. Since most of the Social Security system in the world is composed of financial support to poor families, for disease, for unemployment and for disability as well as Elderly also called retirement aid, therefore, once the Developing country's S.S. entity is endowed of all that aspects, convergence in economic performance terms will be easier to be reached, thus will fit more to the aim proposed which is to enhance Economic Growth in all the part of the whole world.

Why are we interested on that goal? Because without real cooperation with poor countries, since the other part of the world which were under developed until the years 1950 has emerged, that region should be integrated to compete in the world market, otherwise, because of several things such that democracy absence making migration towards richer countries increase, will lead to the health system death and the past will be back, meaning corporations which were ended in 1791 in France and insurance which is not accessible for all. Therefore, social security must be generalized to the whole world to be endowed with the universality character as it is the case today, corporations holding before the social security act in the past, was greatly uncertain and its end ceased that situation and since then, labor contract was created to cover the agents while working or not. Before that law, families have to manage themselves about the way they will take care of their old parents like it still the case in most of the developing countries, where quantity is preferred to the quality in the activity of procreation since they supplement the resting income once old. Growth thus highlighted an uncertainty character in its capacity to maintain in the long run as long as public social security is absent.

To achieve globalization target⁷, we need to know first, what cause growth and employment decrease as well as social security financial deficit somewhere and absence some

other parts of the world?⁸

2. The Cooperation Aims with the Foreign Systems Therefore Requires Four Things

First, it consists on eradicate the brain drain as well as incentives to migrate to Western Countries because of poverty since the assistance need charges the social aid system without compensation. Indeed, to improve the system, one need to focus more on labor productivity when its mobility is allowed through cooperation in order to create mutual gain and cease supporting demographic excess of other countries which pushes the system to its end.

Second, it may lead to support old people in poorest countries in order to decrease inequality and poverty since per-capita income is guarantee, thus the children are no more considered as the future resting income. Indeed, quality will be preferred to quantity. Therefore, demographic transition is a mechanics of economic growth able to yields convergence among country's differential

Third, to avoid immigrants increase for poverty purposes and to make the entity of S.S. cooperation offering training for employment gain and income increase to decrease poverty. At that level, Lewis (1954) idea of labor transfer from traditional to modern sector is a good idea and needs research to be conducted depending on the economic level achieved by the country or increase manufactured goods to boost urbanization, to maintain a good health. If exchanges in terms of labor hold, it must be ensured that it doesn't lead to the spread of disease in host countries.

Fourth, to focus on training agents on appropriate technology leading to labor productivity improvements and firms' competition increase specifically in international exchange plan.

The discussion presented is based on the three following literatures which are: Growth connected to Health, Development connected to environment, The brain Drain Theory or International Migrations of high skilled labor from developing countries to more developed countries. After having exposed the literature used (sections 3, 4 and 5), we establish what should be viewed as a unique globalization framework. We consider the brain drain as a function of knowledge decrease in contrast to modern growth which is an increasing function of knowledge or economic performance and finally, development theory is used to highlight developing countries' possible take-off⁹. A conclusion is provided in section 6.

6 See Diana Loubaki, 2013, "Technological change and health/care food interaction Policy in Development Economics", American Journal of Food and Nutrition

7 Cooperation proposed aim is to enhance growth and development through an universal social security existence not only insurance which still opened to higher social classes in nearly all the countries in the world, the aim is to make all of them connected and similar to the one owned by France since our attention will be focused on the French Economic Growth performance and its interactions with the other countries. All that, in order to look for the way growth and employment can be enhanced and the country to gain more markets in exchange trade with international relationships.

8 To answer this question as well as all the others, we need to collect data which highlight the situation first and try to understand and identify mechanisms causing zero economic growth and convergence absence. The whole is crucially relied to human capital accumulation or R&D conduction decrease leading to copies increase, thus low gains since the leader or the real owner of the property right keeps the monopoly of the given product.

9 See Loubaki, D., 2015d, "Comparative Economic Development, Brain Drain and Modern Growth", International Journal of Economic Theory and Applications

3. The Literature of Growth Connected to Health

In the 1960s, growth theory consisted mainly on the neoclassical model, on the basis of the optimal savings method developed by Ramsey (1928) and used by Solow (1956), Swan (1956), Cass (1965), and Koopmans (1965). One feature of this model is the convergence property. The lower the starting level of real per capita gross domestic product (GDP) the higher is the predicted growth rate. Then convergence would apply in an absolute sense; that is, poorer countries would tend to grow faster in per capita term than richer ones. However, if economies differ in various respects including propensities to save and have children, willingness to work, access to technology, and government policies, then the convergence force applies only in a conditional sense. The growth rate tends to be high if the starting per capita GDP is low in relation to its long-run or steady-state position; that is, if an economy begins far below its own target position. The convergence property derives in the neoclassical model from the diminishing returns to capital hypothesis. Economies that have less capital per worker (relative to their long-run capital per worker) tend to have higher rates of return and higher growth rates. The convergence is conditional because the steady-state levels of capital and output per worker depend in the neoclassical model on the propensity to save, the growth rate of population, and the position of the production function characteristics that may vary across economies. Recent extensions of the model suggest the inclusion of additional sources of cross-country variation, especially government policies with respect to levels of consumption spending, protection of property rights, and distortions of domestic and international markets. The concept of capital in the neoclassical model can be usefully broadened from physical goods to *include human capital in the forms of education, experience, and health* (See Lucas (1988), Rebelo (1991), Caballe and Santos (1993), Mulligan and Sala-i-Martin (1993), and Barro and Sala-i-Martin (1995a, Ch. 5).) The economy tends toward a steady-state ratio of human to physical capital, but the ratio may depart from its long-run value in an initial state. The extent of this departure generally affects the rate at which per capita output approaches its steady-state value. A supporting force is that the adaptation of foreign technologies is facilitated by a large endowment of human capital (see Nelson and Phelps (1966) and Benhabib and Spiegel (1994)). This element implies an interaction effect whereby a country's growth rate is more sensitive to its starting level of per capita output the greater is its initial stock of human capital.

Another prediction of the neoclassical model even when extended to include human capital is that, in the absence of continuing improvements in technology, per capita growth must eventually cease. This prediction, which resembles those of Malthus (1798) and Ricardo (1817), comes from the assumption of diminishing returns to a broad concept of capital. The long-run data for many countries indicate,

however, that positive rates of per capita growth can persist over a century or more and that these growth rates have no clear tendency to decline. Growth theorists of the 1950s and 1960s recognized this modeling deficiency and usually patched it up by assuming that technological progress occurred in an unexplained (exogenous) manner (Arrow, 1962). Recent work on endogenous growth theory has sought to supply the missing explanation of long-run growth¹⁰.

The initial wave of the new research are Romer (1986), Lucas (1988), Rebelo (1991) built on the work of Arrow (1962), Sheshinski (1967), and Uzawa (1965) introduced a theory of technological change later on with Eicher (1996) and Aghion-Howitt (1990) as well as Romer (1990). In the first models quoted, growth may go on indefinitely because the returns to investment in a broad class of capital goods, which includes human capital, do not necessarily diminish as economies develop. (This idea goes back to Knight (1944)) Spillovers of knowledge across producers and external benefits from human capital are parts of this process, but only because they help to avoid the tendency for diminishing returns to capital.

The incorporation of R&D theories and imperfect competition into the growth framework began with Romer (1987, 1990) and includes significant contributions by Aghion and Howitt (1992) and Grossman and Helpman (1991, Chapters 3 and 4). Barro and Sala-i-Martin (1995, Chs. 6, 7) provide expositions and extensions of these models. In these settings, technological advance results from purposive R&D activity, and this activity is rewarded, along the lines of Schumpeter (1934), by some form of ex-post monopoly power. If there is no tendency to run out of ideas, then growth rates can remain positive in the long run. The rate of growth and the underlying amount of inventive activity tend, however, not to be Pareto optimal because of distortions related to the creation of the new goods and methods of production. In these frameworks, the long-term growth rate depends on governmental actions, such as taxation, maintenance of law and order, provision of infrastructure services, protection of intellectual property rights, and regulations of international trade, financial markets, and other aspects of the economy¹¹. One such extension involves the diffusion of technology. Whereas the analysis of discovery relates to the rate of technological

10 In the main, this approach provides a theory of technical progress, one of the central missing elements of the neoclassical model. The new models operate by including incentives for the private sector to carry out the research that leads to discoveries of new products or methods of production. Typically, the private reward for invention features elements of monopoly profits over some interval. Patent protection and intellectual property rights affect these private incentives, but the government can also influence research through public subsidies or direct participation. This general framework for technological advance applies, in particular, to discoveries of medicines or medical procedures.

11 The government therefore has great potential for good or ill through its influence on the long-term rate of growth. One shortcoming of the early versions of endogenous growth theories is that they no longer predicted conditional convergence. Since this behavior is a strong empirical regularity in the data for countries and regions, it was important to extend the new theories to restore the convergence property.

progress in leading-edge economies, the study of diffusion pertains to the manner in which follower economies share by imitation in these advances. Since imitation tends to be cheaper than innovation, the diffusion models predict a form of conditional convergence that resembles the predictions of the neoclassical growth model. Therefore, this framework combines the long-run growth of the endogenous growth theories (from the discovery of ideas in the leading-edge economies) with the convergence behavior of the neoclassical growth model (from the gradual imitation by followers).

Endogenous growth theories that include the discovery of new ideas and methods of production are important for providing possible explanations for long-term growth. Yet the recent cross-country empirical work on growth has received more inspiration from the older, neoclassical model, as extended to include government policies, investments in human capital, fertility choice, and the diffusion of technology (Cervellati and Sunde, 2015; Galor and Weil, 2000)¹². Now growth theory has oriented its investigations in comparative growth sources of the countries in the context of economic globalization and the introduction of the emerging countries economic performance in growth research in this 21st century plays a great role in new development thoughts (Cervellati and Sunde, 2015; Loubaki, 2015d)

4. The Literature of the Brain Drain

The brain drain literature begins in the late 1960s with the works of Grubel and Scott, (1966); Johnson, (1967); Berry and Soligo, (1969) just after the countries in Africa, Latin America and Asia under industrial countries' dependence such as France, England and Portugal obtained their political freedom, then migration didn't grow as much as it is today. Indeed, those contributions pioneers only conclude to a neutral impact of the brain drain on source countries. In the 1970s, as the migration phenomenon begins to grow, economists such as Bhagwati and Hamada, (1974); Kim, (1976); McCulloch and Yellen, (1977), qualify it as having negative consequences for those left behind. Then, the high-skilled labor migration from poor to rich countries begins to be viewed as contributing to increase inequality at the international level. Because it yields the rich countries becoming richer at the expenses of poor countries which are the main funds providers in education investment of the former elites. Those arguments continue with the first papers which analyze the brain drain in an endogenous growth framework like Miyagiwa, (1991), Haque and Kim, (1995). Then, between the mid-1990s and the beginning of the 2000s as the phenomenon is highly known and detrimental for the source countries¹³, the literature raised the idea that, high

skilled labor migration could be beneficial to the source country (Mountford (1995, 1997), Stark et al. (1997, 1998), Vidal (1998), Docquier and Rapoport (1999), Beine et al. (2001), and Stark and Wang (2002)) and introduces education acquisition at home (Beine Docquier Rapoport (2008)) in the mid-2000s as well the fact that, the brain drain story does not necessarily need to hold (Docquier and Rapoport, 2007) because, in a developing economy closed to international migration, the returns to schooling are too low for investment in education to be high enough to lead to the brain gain, which effect introduces occupational choices, network effects (Kanbur and Rapoport, (2005)), fertility, education subsidies (Stark and Wang, 2002), and claim brain waste (Schiff, (2005); Docquier and Rapoport (2012)). Therefore, Garcia-Pires (2015) investigate the claim by Docquier and Rapoport (2012) on brain waste and finds that the brain drain scenario has several negative effects. For the origin country of migration, it reduces the incentives of individuals to acquire education and it weakens the possibility of brain gain to arise. For the destination country of migration, it undermines the chances of a positive self-selection of skilled migrants. Indeed emerges the diaspora¹⁴ concept to specify the high skilled labors from developing countries living in developed countries. But, return migrants knowledge and financial capital accumulation before returning may generate additional beneficial effects on technology adoption and productivity growth at home (Domingues Dos Santos and Postel-Vinay, 2003; Dustmann, Fadlon and Weiss (2008); Mayr and Peri (2009)), Stark et al. (1997) and Chen (2008) also elaborate the possibility of a brain gain associated with a brain drain in a context of migration, imperfect information and return through the following mechanism: in such a context, low-ability workers invest in education for the purpose of emigrating and are pooled with high-ability workers on the foreign job market. Once individual productivity is revealed, low-ability workers return home with the human capital they would not have acquired if it was not for the possibility of emigration, hence the possibility of a brain gain with a brain drain emerge. Indeed, Agrawal, Kapur and McHale (2008) model innovation which depends on knowledge access and knowledge access partly depends on membership in both co-location and diaspora networks. A necessary condition for the movement of an innovator to the diaspora to increase access of the home country (India in their case) is that the diaspora knowledge-access¹⁵. By

12 Theories of basic technological change (Romer, 1990; Eicher, 1996) seem most important for understanding why the world as a whole can continue to grow indefinitely in per capita terms. But these theories have less to do with the determination of relative rates of growth across countries, the key element studied in the cross-country empirical work that is discussed next.

13 Developed countries such as France, begins to reject the application of

permanent resident claim from foreign students specifically those natives of developing countries to make them going back home since studies done are ended and put pressure to the Congo republic to sell the building bought for his students in Paris in order to decrease incentives for foreign students to come to establish there on the basis of Education. Home higher education begins to be the first choice.

14 Immigrants represent 47 percent of PhD workers employed in the US science and engineering industry (and 24 percent of workers with bachelor education)

15 Buch et al. (2006) show that immigration can also attract FDI from the migrants home to host country; using regional differences for the origin-mix of immigrants to Germany, they show that the presence of immigrants from a given country significantly affects the spatial bilateral pattern of FDI to the German Lander.

reducing international transaction costs and favoring the diffusion of knowledge and ideas, highly-skilled diaspora settled in the developed countries facilitate technology diffusion, stimulate trade and contribute to improve domestic institutions¹⁶.

5. The Development Economics Literature

Development economics study is the economics of the Developing World and the main question asked is why some countries are poor and the others are rich as well as the way a given country can break with under development. Those last theories¹⁷ were symbolized by the works of the pioneers of economic development i.e from Roseinstein-Rodan (1943) to Hirschman (1958)¹⁸, Rosenstein-Rodan (1943) and others appeared to imply that a coordinated, broadly based investment program "the Big Push" would be required. Hirschman disagreed, arguing that a policy of promoting a few key sectors with strong linkages, then moving on to other sectors to correct the disequilibrium generated by these investments, and so on, was actually the right approach. Arthur Lewis famous "Economic development with unlimited supplies of labor" emphasized dualism among modern and traditional sectors of good production which causes under development, thus the absorption of low skilled workers from traditional sector into modern sector was the right approach leading to development. Fleming (1954), argued that owing to the role of intermediate goods in production was the way to develop faster a given country. In the 1940s and 1950s it was deeply influential among both economists and policymakers. Yet in the late 1950s development theory rapidly unraveled to the point where by the 1970s it seemed not so much wrong as incomprehensible. Only in the 1980s and 1990s were economists able to look at high development theory with a fresh eye and see that it really does make a lot of sense, after all. The crisis of

development economics¹⁹ was the method in the social sciences. Development theorists were having a hard time to express their ideas in the kind of tightly specified models that were increasingly becoming the unique language of discourse of economic analysis. They faced the choice of either adopting that increasingly dominant intellectual style, or finding themselves pushed into the intellectual periphery. They didn't make the transition, and as a result development theory was largely purged away from economists. The resurrection of the development theory came from traditional frameworks of development built on conventional growth theory. This approach uses several concepts or tools and can be attributed to the finding of Solow (1956) based on convergence i.e countries with low endowment of capital relative to labor will have a high rate of return to capital by the law of diminishing returns of capital productivity. Therefore, convergence relies on diminishing returns to capital. The convergence benchmark must be pitted against the empirical evidence on world income distributions, saving rates or rates of return to capital. Then it should be looked for the parametric differences that will bridge the model to the data. Indeed to account for differences in development levels, human capital is commonly used and the rest is attributed to technological differences and explanations in the sources of differences are explained by parameters structurally rooted in a society. The under development parameters identified are: bad nutrition, high mortality rates, lack of access to sanitation, safe water and housing. Those parameters must be added to corruption, culture, procreation and politics because they may weight on the explanation of the sources of differences in economic development theme. Another approach is based on "Nonconvergence" i.e two economies with the same initial conditions or sharing the same fundamentals can move apart along very different paths. (Young (1928), Nukse (1953), Leibenstein (1957) and Myrdal (1957)). Factors are diverse as the distribution of economic or political power, legal structure, traditions, group reputations, colonial heritage and specific institutional settings. Historical inequalities are: the nature of colonial settlement, the character of early industry, agriculture and political institutions. Therefore, equilibria may be multiple and show-off the problem of *Complementarity* which explains how technological inefficiencies persist (David, 1985; Arthur, 1994), why growth is volatile in developing countries (Acemoglu and Zilibotti, 1997), how investments in physical and in human capital may be depressed (Romer, 1986; Lucas, 1988), why corruption may be self-sustaining (Kingston, 2005), the growth of cities (Henderson, 1988; Krugman, 1991), the suddenness of currency crisis (Obsfeld, 1994) or the fertility transition (Munshi and Myaux, 2006). The role of the markets in development economics consists on viewing each country as a single economic agent, the nonconvexities are considered at the level of the country as a whole i.e Young's increasing returns on a grand scale or

16 Kerr (2008) also uses patent citation data to examine the international transfer of knowledge between the US and the home countries of US-based on diaspora, with scientists being assigned to a particular diaspora by a name recognition software. He finds strong evidence of knowledge diffusion along the ethnic diaspora channel, especially for the Chinese diaspora, and evidence that such transfer have a direct positive effect on manufacturing productivity in the home countries, especially in the high-tech sector.

17 a set of ideas in the way a given poor country can achieve development. Those authors dispute over the nature of the policies that might be required to break a country out of a low-level trap

18 Those authors dispute over the nature of the policies that might be required to break a country out of a low-level trap. Rosenstein-Rodan and others appeared to imply that a coordinated, broadly based investment program -- the Big Push -- would be required. Hirschman disagreed, arguing that a policy of promoting a few key sectors with strong linkages, then moving on to other sectors to correct the disequilibrium generated by these investments, and so on, was actually the right approach. Arthur Lewis's famous "Economic development with unlimited supplies of labor" emphasized dualism among modern and traditional sectors of good production which causes under development, thus the absorption of low skilled workers from traditional sector into modern sector was the right approach leading to development. Fleming (1954), argued that owing to the role of intermediate goods in production was the way to develop faster a given country.

19 The crisis of development theory in the late 1950s was neither empirical nor ideological: it was methodological

economy wide externalities as in Lucas (1988) and Azariadis-Drazen (1990)²⁰.

The microeconomics of development enables to dig below the macro questions and deals with the credit market (Stiglitz and Weil, 1981) where there is a moral hazard (Aghion and Bolton, 1997). Finally there is also an enforcement problem (Eaton and Gersovitz, 1981)²¹. For perfect financial market, see Morduch (1994), Townsend (1995) and Deaton (1997). There is also a literature which deals with the impact of credit constraints on outcomes such as health (Foster, 1995), education (Jacoby and Skoufias, 1997) or the acquisition of production inputs such as bullocks (Rosenzweig and Wolpin, 1993). Different frictions such as adverse selection and enforcement are expressed by Chiappori and Salanie (2000) and Karlan and Zimman (2006). There is also a literature of microcredit, the lending to the poor (Armendariz and Morduch, 2005)

There is a growing literature on political economy of development i.e voting models and focused on the determinants of collective action for the provision of public goods and how poverty and inequality affects the ability to engage in a given action (Olson, 1965; Sandler and Forbes, 1980 for military alliances, technology adoption for Foster and Rosenzweig, 1995; local rulers or elites for Banerjee, Lyer and Somanathan, 2007).

6. Conclusion

The aim of this article is to discuss a possible world economic framework for globalization on the basis of social security creation and cooperation in the whole world in order to ensure growth and development sustainability in cooperation. We present some arguments which influence are able to slow the process and other which may play a great role in the homogeneity character needed for the project to hold and eradicate both poverty and inequality. We find that, the brain drain is an economic performance decreasing curve in contrast to modern growth which is a mechanics of growth increase. Therefore, the intercept of those curves highlights possible globalization model able to create or maintain growth in the world since cooperation ensure integration progressively.

20 This raises an obvious question: what is so specific about "national infrastructure"? Why is it not possible for the world to ultimately rearrange itself so that every country produces the same or similar mix of goods, thus guaranteeing convergence? To address this question, we must consider that each country is an individual unit, in a more general setting, there are individuals and there is cross country interaction in order to determinate the relative importance of within country versus cross country inequalities, thus it is not bad to start thinking about globalization. There will be variation of course depending on whether the areas were sparsely or densely populated to begin with. As answered, Sokoloff and Engerman (2000) argued that institutional modes of production and extraction in distant history had far-reaching effects on subsequent development. That idea is pursued by Acemoglu-Johnson-Robinson (2001, 2002) and Acemoglu (2006), those arguments are called "market based theories of occupational choice".

21 See Ghosh, Mookherjee and Ray, 2000 for a survey on the literature of microdevelopment initiated by Stiglitz and Weil

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