CHAPTER IV
ANALYSIS UNIT TWO:
A COMPARATIVE ANALYSIS

In this unit, two groups of countries comparison from selective variables aimed to establish the worthiness of a pre requisite investment in human capital. While the first sub-section describes the general settings for countries evaluation system, the second sub-section analyses of the overall results.

IV.1 THE RANKING SYSTEM

The first group of countries includes Taiwan, South Korea, The Philippines (East Asia), Costa Rica and Honduras (Latin America) during the 1950s to the mid 1960s for Taiwan, and from 1950s to the 1990s for the rest of countries. Both countries received the U.S Aid at different stages of their development. The second group also covers five countries: Benin, Burkina Faso, Cote d'Ivoire, Ghana, and Mali from the year 2000. They are both located in West Africa, and targets countries of the MDGs.

Each recipient country evaluation includes its achievement in eight socioeconomic variables: the Natural Resources (NR), Initial Development (ID), Colonial Legacy (CL), Government Quality (GQ), Joint Semi Autonomous Institutions (JSAI), Aid Quality (AQ), Human Capital (HC) and the Economic Development (EC).[1] The general evaluation used a ranking index: from the lowest (0) to the highest (1). Due to the qualitative character of most of the variables, corresponding checklists provides data for their evaluation. Different ranks are attributing to each country in reference to their original qualitative achievement in each variable. Before further analysis, the description of the ranking system for each variable follows in the next sub-sections.

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[1] These eight variables stand as a summary of different authors accounts of Taiwan economic success. However, most of them were inspiring by the study case of Neil Jacoby. Although its general conclusion cited U.S. Aid as a main factor for the country earliest economic growth, He found eight other variables worth to the process.

Table set 4: Natural resources ranking system, and countries rank

Land (square kilometers)	Measure	Ranking index
Less than 50,000 / More than 5 million peoples	Low	From 0 to 0.2
From 51,000 to 500,000 Less or more than 5 peoples	Medium	From 0.3 to 0.5
501,000 and more Less or more than five	High	0.6 to 1
Mineral Resources	Measure	Ranking Index
Limited oil, gas, Gold	Poor	From 0 to 0.5
Oil, gas, Gold	Rich	0.6 to 1
Climate	Measure	Ranking Index
Landlocked and subject to natural hazards	Very poor	From 0 to 0.2
Landlocked / or subject to natural hazards	Poor	From 0.3 to 0.5
Open sea, no natural hazards	Rich	0.6 to 1

	Land	Mineral	Climate	Rank
Taiwan	Low	Poor	Poor	0.3
South Korea	Low	Poor	Medium	0.3
Philippines	Medium	Rich	Medium	0.7
Costa Rica	Medium	Poor	Medium	0.4
Honduras	Medium	Rich	Medium	0.7
Burkina Faso	Medium	Poor	Very Poor	0.1
Benin	Medium	Poor	Rich	0.4
Cote d'Ivoire	Medium	Rich	Rich	0.8
Ghana	Medium	Rich	Rich	0.8
Mali	Medium	Poor	Very Poor	0.1

THE NATURAL RESOURCES

The Natural Resources (NR) for each country includes land and people endowment, mineral resources, and the general climate (confer checklist next page).The countries of the sample cover diverse shape of lands from the lowest (30,000 square kilometers to the highest 1,204,000 square kilometers).

We assume therefore that a land covering less than 50,000 square kilometers with more than 5 million inhabitants are low land endowment countries, as there are many people to share a tiny land. Lands covering 50,000 to 500,000 square kilometers for less than 5 million people are medium-land endowment countries, and those with more than 500,000 square kilometers with more or less populations, are high land-endowment countries. The second sub variable related to countries mineral resources checklist used terms as "poor": to design countries limited, or lacking important minerals as oil, gas, and gold. For those countries owning these resources, they related to the qualification of "rich". The last sub variable, climate estimation use expressions as poor, medium, and rich respectively for both landlocked, natural hazards bound countries, and the last (rich) for open sea, and natural hazards limited countries. Applying this ranking system to the first group of countries, Taiwan and South Korea stands side by side in natural resources. Taiwan with 35, 961 square kilometers (less than 50.000 square kilometers), for 8,128 million peoples (in 1952) is poor in natural resources. South Korea a neighbor country covers a land of 98,000 square kilometers with 27 millions (1960). In terms of land to population, both countries almost shared the same realities. Indeed, South Korea has wider land but also more populations to share it.

Shifting to mineral resources, Taiwan with small deposits of coal, natural gas, limestone, marble, and asbestos is similar to South Korea also limited in coal, tungsten, graphite, molybdenum, lead, and hydropower potential. Both countries lack oil, gas, and gold.[2] In short, lowlands owner's poor mineral countries and fair climate countries (due to natural hazards: typhoons), they stand respectively for a ranking index of 0.3 in this first variable. The feature is different for the Philippines. The country has a wider land of 300,000 square kilometers, for 29 millions in the 1960s. Contrary to Taiwan and South Korea, it has a wide range of important

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[2] Confer Taiwan Natural Resources: http://www.indexmundi.com/taiwan/natural_resources.html.

natural resources including timber, petroleum, and nickel, cobalt, silver, gold, salt, and copper.[3] Therefore, as a medium-land, mineral rich and medium climate (natural hazards) country, Philippines have more than the medium in natural resources with 0.7 as ranking index.

Although poor in mineral resources (only the hydropower is mentioned), Costa Rica with 50,700 square kilometers, for less than 2 million peoples in the 1960s, is a medium-land country, with medium type climate. For the first variable the country rank may be slightly lower (0.4), than the Honduras (0.7). The latter mentioned country has 112, 100 square kilometers for about 2 million of peoples (1960s). The country has a wider range of natural resources: timber, gold, silver, copper, lead, zinc, iron ore, antimony, coal, fish, and hydropower.

The West African countries measure in natural resources are almost similar, ranging from 0.1 (Burkina Faso and Mali) to 0.4 (Benin) and 0.8 (Ghana and la Cote d'Ivoire) for the following reasons: Burkina Faso and Mali are both landlocked, subject to natural hazards (droughts and locusts invasion principally), and poor mineral owned countries. Both countries have respectively 274,200 square kilometers for 12,272,289 million peoples (estimation 2001 for Burkina Faso), and 1,204,000 square kilometers (of which 60 percent is desert) for 11,008,518 million peoples for Mali. Both countries are poorly doted in gold, phosphates, kaolin, salt, limestone, uranium, gypsum, granite, hydropower (bauxite, iron ore, manganese, tin, and copper deposits are known but not exploited) for Mali, while Burkina Faso stands for manganese, limestone, marble; small deposits of gold, phosphates, pumice, and salt.

Benin is a medium country in land to people relation, poor in mineral, but rich in climate as it is an open-sea country, and has limited effect natural hazards (dusty dry wind in the north of the country). With 112,620 square kilometers, for 6 million people in 2001, the country has limestone, natural springs and petroleum as mineral resources. La Cote d'Ivoire and Ghana owned both good lands and natural resources. 322,462 square kilometers, petroleum, natural gas, diamonds, manganese, iron ore, cobalt, bauxite, copper, gold, nickel, tantalum, silica sand, clay, cocoa beans, coffee, palm oil, hydropower for la Cote d'Ivoire. Ghana has

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[3] Philippines natural resources: http://www.indexmundi.com/philippines/natural_resources.html.

238,540 square kilometers, gold, timber, industrial diamonds, bauxite, manganese, fish, and rubber (as natural resources). The population was about 16 millions for la Cote d'Ivoire and about 20 million for Ghana. Both countries are equally open-sea, and natural hazards limited.

THE INITIAL DEVELOPMENT

The second variable intends to measure countries development before Foreign Aid policy implementation. East Asian and Latin American countries development estimation includes four variables: the infant mortality, literacy, fertility rate per women, and GNP before aid implementation. For West African countries, Human Development Index (HDI) currently stands as the official measure for World countries development evaluation. This measure includes both social variable and the per capita GDP for each country.[4] The table set (5) displays initial development ranking system and related ranks. The four variables mentioned include keys features of the current HDI measure. However, a slight difference persists as the GNP is the fourth sub variable to measure the former group development.[5]

According to the ranking system design for countries evaluation here, countries with more than 90 per 1000 for infant mortality have lower index. The medium infant mortality countries are those between 60 and 90 per 1000, while those with less than 60 deaths per 1000 born babies have the highest ranks. The population literacy also follows some rules.

Population with less than 50 percent of literate belongs to the low-rank literate country. Medium literate countries have between 50 and 80 percent of literate, and higher literate are those countries with more than 80 percent. Concerning the GNP, less than US $ 500 per capita GNP countries are low-ranked where countries between US$ 500 to US $1000 are medium, and more than US $ 500 are low GNP per capita countries. Following UNDP criteria for development evaluation, countries with lower infant mortality, fertility rate, but with more literate, and higher GNP per capita have higher ranks than those with lower rank for the same mentioned sub variables.

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[4] We use a different way to measure the first group country as the HDI measure for countries by the United Nation is available only from the mid 1970s.

[5] GNP per capita: is corresponding to the population divide by the gross national product. This is a measure of the productive capacity of the workers in an economy, but is sometimes used as a rough estimate of average income per person : http://ucatlas.ucsc.edu/glossary.html, the GNP per capita is equal to GDP per capita minus foreign earn interest.

Table set 5: Initial Development checklist and index ranking

Infant mortality	Measure	Ranking Index
More than 90	Low	0 to 0.2
From 60 to 90	Medium	0.3 to 0.5
Less than 60	High	0.6 to 1
Fertility rate	Measure	Measure
More than 5	Low	0 to 0.2
From 3 to 5	Medium	0.3 to 0.5
Less than 3	High	0.6 to 1

Literacy	Measure	Ranking Index
Less than 50	Low	0 to 0.2
From 50 to 80	Medium	0.3 to 0.5
More than 80	High	0.6 to 1
GNP	Measure	Measure
Less than 500	Low	0 to 0.2
From 500-to 1000	Medium	0.3 to 0.5
More than 1000	High	0.6 to 1

Countries Group 1	Infant Mortality Per 1000	Literacy %	Fertility Rate %	GNP $US	Rank
Taiwan	Medium	Medium	Medium	Medium	0.5
South Korea	Medium	High	Medium	Medium	0.6
Philippines	Medium	High	Low	Medium	0.5
Costa Rica	Medium	High	Low	High	0.7
Honduras	Low	Medium	Low	Medium	0.2

In 1952, Taiwanese infant mortality was 79 per 1000 births while 57.9 percent of the adult population was literate. The GNP per capita was US$879 (1951). After the war in the 1960s, South Korea infant mortality rate was 58, for 88 percent of adult literate. The fertility rate was high to 4.6, and the country GNP per capita in 1960 was slightly under that of Taiwan with US$800 (countries ranking system and grades are displays on precedent page).[6]Taiwan and South Korea, from the above description display similarities in development sub-variables. Their grades in ID are 0.5 for Taiwan and 0.6 for South Korea as the country has been directly involved in the Korean War but still, show a slightly high achievement in its population social variables than Taiwan in the early 1950s. These ranks put both countries over the medium rank for the ID. Philippines followed with 0.5; the country is close to South Korea from its population socio economics variables achievement in the same period.

Costa Rica and Honduras received financial funds from the USA approximately in the same period. Their rank in initial development is 0.7 for Costa Rica and 0.2 for Honduras. Costa Rica has 68 per 1000 for infant mortality, 88 percent of literate, 5.8 births per woman, and about US$2000 GNP per capita. Honduras was less good during this time: 119 deaths per 1000 births, 57 percent of literate, 7.4 births per woman, and less than US$1000 GNP per capita.[7] Contrary to the first group, countries that almost achieved more than the medium in initial development, the West African achieved low results.

Excepted Ghana, a medium human endowment country, the rest of the countries belong to the low-human endowment countries. Base on the 162 countries include in the UNDP ranking sample in 2001, countries ranked above the 150 have 0.1 as ranking index. Other countries between 140 and 150 have 0.3, while 0.5 is for countries ranked lower than 140. Following this scheme, Ghana (119) came on the head with 0.5, followed by Benin (147), and la Cote d'Ivoire (144); 0.3 for both. Burkina Faso (159) and Mali (153) equally hold the queue with 0.1 for each.

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[6] Information collected from the Congressional Budget Office (CBO), *the role of Foreign Aid in Development: South Korea and the Philippines*, Septembre1997, 2-4; and Jacoby, (op-cit), PP.294-297.

[7] Information collected from the Congressional Budget Office (CBO), *the role of Foreign Aid in Development: Costa Rica and the Honduras*, Washington, December 1997, PP 2-3.

COLONIAL LEGACY

The estimation of the colonial legacy proceeds from a checklist including countries and their respective colonizers countries. This evaluation considers trade relations between ex colonizers and ex-colonies. Yes standing for the positive rank of (1) and No for the negative rank (0) as summarized of the next page. Japan colonized some East Asian's countries including Taiwan and the South Korea.[8] In 1953, Japan was the most important market for Taiwan. Taiwan total amount of export for that year was $US129,793 from which, $US60,186 were from Japan, followed by Hong Kong ($US12, 526) and the USA ($US7, 200).Imports were mostly from the USA ($US97, 600), seconded by Japan (54,273) for a total amount of $US190, 597.[9] It shows that the former colonizer has played an important role as import-export market. The figure is almost the same for South Korea. Based on the dynamism of trade relations between the ex-colonizer and the ex-colonies, Taiwan and South Korea have respectively (1) for this variable.

Philippines have reversely welcomed several colonizers: Spain (1565-1815), Japan (1943-1942) U.S.A (1998-1943).Spanish legacy is mostly cultural and religious while Japan and the U.S. are the country most important investors. The unstable nature of the Philippines colonial era makes it difficult to find a clear impact of its earliest colonizer.

GOVERNEMENT QUALITY

The major concern with this variable is to measure the government ability to maintain internal economic development friendly climate. For the first group, countries that have undergone their aid policies in earliest times, data from the congressional Office Budget to certify (Yes) or negate (No) their different achievement in political stability and corruption. Countries that answered yes for both sub variables have (1). A double no has (0), while countries that answered dually by either yes or no have 0.5.

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[8] Bill Gordon, 2003: http://wgordon.web.wesleyan.edu/index.html, described how Japan forcefully acquired three major foreign territories between 1894 and 1910. Taiwan in 1895 after the Sino-Japanese War of 1894-5; Korea as a protectorate in 1905 after the Russo-Japanese War of 1904-5, then as a colony when it was unilaterally annexed by Japan in 1910; and the Kwantung Leased Territories in 1905 in southern Manchuria when Japan succeeded to Russia's leases after the Russo-Japanese War. This section of the essay summarizes briefly the imperialistic expansion of Japan during the period and the actions of the world's imperialist powers that influenced the course of Japan's actions.

[9] Taiwan statistic book, (op-cit), P.114

Table set 6: Colonial legacy checklist and index ranking.

Countries	Ex-Colonizer	Important Inter Trade Relations	Rank
Taiwan	Japan	Yes	1
South Korea	Japan	Yes	1
Philippines	Spain, Japan, USA	Yes	1
Costa Rica	Spain	No	0
Honduras	Spain	No	0
Benin	France	No	0
Burkina Faso	France	No	0
Ghana	Great Britain	No	0
Cote d'Ivoire	France	No	0
Mali	France	No	0

East Asia-Latin American countries			
Countries	Corruption	stability	Rank
Taiwan	No	Yes	1
South Korea	No	Yes	1
Philippines	Yes	No	0
Costa Rica	No	Yes	1
Honduras	Yes	No	0

West Africa Countries		
Countries	Economic freedom	Rank
Benin	117 (3.40)	0.1
Burkina Faso	102 (3.28)	0.2
Ghana	109 (3.29)	0.2
Cote d'Ivoire	88 (3.14)	0.3
Mali	88 (3.14)	0.3

Source: Drew by the author based The CBO data for the East Asia and Latin America countries, and on index of Economic freedom countries ranking website for the West Africa countries http://www.heritage.org/research/features/index/countries.cfm

Taiwan, South Korea, and Costa Rica stand high (1) as stability and, good governance following the market demand and supply was stressed in both countries. Philippines and Honduras politically unstable with corrupt governments went respectively for (0) each. The West Africa countries evaluation used economic freedom scores of the heritage house website.

Based on country index of economic freedom, it displays (4) categories of countries from the free (score 1-199) to mostly free (score2-2990), mostly "unfree" (score3-3.99) to repressed (4-5). A number of sub variables including trade policy, fiscal burden, government intervention, monetary policy, foreign investment, banking and finance, Wages and Prices, property Rights, regulation, and informal market sustained the classification of 157 countries according to their individual achievement in each variable. Less corruption and more political stability regulate the general analysis. As a government is qualified to deal with those issues, less open will he be to corruption, and political instability.

The five West African countries of the sample are listed in the mostly unfree group (3-3.99 score), and came at the third position. This shows that, those West African countries still have rooms for improvement of their economic environment. Based on this formal ranking, countries ranks run from 0.1 the lowest, to 0.3 the highest. Benin ranked 117th over 157 countries by the heritage organization has 0.1. He is followed by Ghana (0.2), Burkina Faso (0.2), Mali and la Cote d'Ivoire 88 each, lasted with (0.3) each (see tables of the preceding page).

THE JOINT SEMI AUTONOMOUS INSTITUTION

The evaluation for this variable is simple as the core content is based on the existence or not of a special semi-autonomous joint commission. In that sense, Taiwan and South Korea where this kind of structure was available stand both for (1) when the remained countries shared (0) respectively as they have not established such a structure for their Foreign Aid implementation.

AID QUALITY

This variable measure includes sub variables related to the amount and the nature of the disbursed Foreign Aid. Taiwan (1) and South Korea (1) received both about 1.5 billion as US direct economic assistance mostly in grants falling therefore in the high category. They are closely following by Costa Rica with 0.8 as the

country received less than 1 billion in grants, and was free from debt repayment. Considering this same period, Philippines (0.2), and Honduras (0.2) received 0.5 billion as economic assistance. However, they also received multilateral aid and used IMF credit, which tuned into debt similarly to the five countries of the West Africa (confer annexes 1& 2)

Data of the disbursed ODA from the World Bank (confer annex 3) show a low amount of delivered funds. These funds are almost similar to those of the East Asia and Latin America countries. However, funds mostly disbursed as loans, cumulated into debt repayment when investment required funds for development projects. Under the item action related to debt, 20% (Benin), 10 %(Burkina Faso), 50 %(Cote d'Ivoire), 20 %(Ghana) and 48% (Mali) are those countries debt repayments as part of the ODA. The table of the next page summarizes details information reported above. These funds were giving back to donors. Referring to the ranking system, except Benin (0.1) a low quality of aid with less than 1 billion of aid, couple with loan and debt, the rest of countries are medium aid quality recipient (Burkina Faso, Cote d'Ivoire, Mali with 0.3 each), and 0.4 for Ghana as the

HUMAN CAPITAL INVESTMENT (HCI)

The Human Capital Investment is the core variable and its evaluation cares about how funds were investing to human capital of one country. As sustained by the theory developed for this research, for foreign aid to earn as much as income that can fill the financial gap, it have to improve both producer's potentiality, and increased the production output. Most producers of selected countries were during foreign aid implementation period, primary level educated, with basic experience in agriculture, agriculture related light industry, trade, and services. To measure this goal achievement, the checklists include two sub variables, which are the land reform, and agriculture production.

Indexes stand high at (1) for countries that answered positively to both concern as for Taiwan, South Korea, and Costa Rica. Philippines and Honduras have 0.5. Both countries under look the land reform, and achieved limited results in their agriculture sector comparatively to the three formers. West African countries felt in the low category for this variable. Referring to the checklist, those countries have double negative answers and an index of 0.2 (see precedent page).

Table set 7: Aid Quality ranking checklist

Aid Quality	Measure	Rank
Less than 1 billion + Loan +Debt	Low	0 to 0.2
Less than 1 billion + Grants + No debt	Medium	0.3 to 0.5
More than 1 billion + Loan + Debt	Medium	0.3 to 0.5
More than 1 billion + Grants + No debt	High	0.6 to 1

Countries	Aid (Funds inflows)	Mostly grants	Mostly loans	debt	Rank
Taiwan	High	Yes	No	No	1
South Korea	High	Yes	No	No	1
Philippines	Medium	No	Yes	Yes	0.3
Costa Rica	Medium	Yes	No	No	0.8
Honduras	Medium	No	Yes	Yes	0.2
Benin	Low	No	Yes	Yes	0.1
Burkina Faso	Medium	Yes	No	Yes	0.3
Cote d'Ivoire	Medium	No	No	Yes	0.3
Ghana	Medium	No	Yes	Yes	0.3
Mali	Medium	Yes	No	Yes	0.3

Table set 8: human capital investment ranking checklist

Human Capital Investment	Measure	Rank
No + No	Low	0 to 0.2
No + Limited	Medium	0.3 to 0.5
Yes + Yes	High	0. to 1

Countries	Land reform	Increase in agricultural production	Rank
Taiwan	Yes	Yes	1
South Korea	Yes	Yes	1
Philippines	No	Limited	0.5
Costa Rica	Yes	Yes	1
Honduras	No	Limited	0.5
Benin	No	No	0.2
Burkina Faso	No	No	0.2
Cote d'Ivoire	No	No	0.2
Ghana	No	No	0.2
Mali	No	No	0.2

Source: Drew by the author with information from the CBO, and the World Bank aid recipients top-ten donors mapping

In fact, Taiwan, South Korea, and Costa Rica underwent a special investment program for the poorest wing, constituting the majority of the population that was living in the rural area from subsistence agriculture. As indicated by data, Korea has neglected its agricultural production in earliest period because food for all was complementing by the P.L.480 food assistance grant from the USA in the1960s. However, later on U.S. Aid through land reform, research and agriculture extension program led to an increase of the agriculture land per 15 percent. Moreover, between 1945 and 1965, US funding paid for pesticides, fertilizers, and new seeds varieties imports. In the early 1960s to late 1970s, AID, Asian bank, and World Bank supported an irrigation program, which increased irrigated land from 662,000 hectares to 1,122,000 hectares.

Between 1945 -1965, U.S funding for pesticides, fertilizers, and new seeds imports increased significantly.[10] Although Costa Rica received fewer funds than Taiwan and South Korea did, it has been able to implement a sound land reform program and invest in health and education to boost its agricultural production.[11] West Africa selected countries have not implemented such special program for the majority of the needy population living in the rural areas, and the slums of the major's cities. The share of the net ODA related to the production sector is smaller if one refers to data of the annex (3 and 4). Benin (10 percent), Burkina Faso (12 percent), Cote d'Ivoire (1 percent), Ghana (8 percent), Mali (7 percent) went respectively to the production sectors. Other important sectors as health, education, economic infrastructures have to share the rest of the ODA.

This lack of investment is even clearly perceptible through the evolution of their agriculture workforce. From1990 to 1999, Benin, Burkina Faso, Cote d'Ivoire, Ghana, and Mali had respectively in percentages, 63.5, 92.4, 52, 59.3, and 85.8 of the population constituting the agriculture workforce for, 38, 34.5, 34.8, 35.3, 45.8 percents of agriculture output as part of the GDP. In 2005, the same countries in the same order, stands for 65, 90, 68, 60, and 80 percent of agriculture workforce producing 33.9, 39.5, 27.7, 35.5, and 45 percent of the GDP as agriculture output. These data teaches that the agriculture workforces as well as its weight of production

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[10] CBO (September 1997), P. 19.

[11] CBO (December1997), P. 19.

remain almost unchanged 15 years after.[12] Countries dissimilarities in economic development variable are

certainly close to this lack of investment in key productions sectors in relation to the current majority skills, and

jobs opportunities.

ECONOMIC DEVELOPMENT (ED)

The ranking system used to measure countries initial development is replicate here. For the first cohort,

social indicators combined to the GNP some years later helped for evaluation while the HDI in 2005 stands for

the evaluation of the second cohort of countries. In 1963, 12 years after Foreign Aid implementation, Taiwanese

were 11,883,523 million with infant mortality rate that shrunk from 79, 585 death per 1000 births (1952) to

71,734 death per 1000 births (1963).The literate as percent of the population increased from 57.9 in 1952, to

76.4 in 1963. The GNP increased from $US819 (1952) to 2,190 in 1963, while the rate of birth slowed down

from 4.66 to 3.74 percent.[13] This improvement of the island main socio-economic variable inclined for the

highest index of (1).

South Korea (1), and Philippines (0.8), have in 1992 a GNP per capita less than 1000 US $ for the

Philippines and less than US $ 2000 for South Korea. The social variables were: (11/1000) infant mortality,

(96%) literacy, and (1.5) for South Korea, against, (44/1000) infant mortality, (90%) literacy, and 3.9 births per

woman for the Philippines.[14] Although noticeable improvement are observable from the same social indicators

during the 1960s, this achievement is low than Costa Rica achievement for the same period (1). Honduras holds

the queue despite perceptible progress to index 0.6.

The West Africa displays the following HDI in 2005: Benin (162) Burkina Faso (175), Cote d'Ivoire (163),

Ghana (138), and Mali (174) over a range of 177 countries. In Comparison to 2001 data, only Ghana stayed in

the medium human development group. The remaining countries socioeconomic variables worsened. Mali who

was 153 over 162 in 2001, shifted to the 174th position in 2005 just besides Burkina Faso, and at three countries

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[12]Data collected from earth trends country profiles on agriculture and food production:
www.earthtrends.wri.org/pdf_library/country_profiles , and www.wfp.org/country_brief.

[13] Jacoby, (op-cit) PP. 294-297

[14] CBO (op-cit, 1997), P.2

to the queue. Benin remained unchanged while la Cote d'Ivoire decreased from 144 over 162 countries in 2001 to 163 over 177 countries in 2005. Their respective ranks for these achievements are 0.2 for Burkina Faso, Mali, Benin, and La Cote d'Ivoire, and 0.4 for Ghana as its achievement shows some hopes (confer evaluation figures on the next page. The next sub-section IS AN analysis of results in relation to the main theory.

IV.2 RESULTS ANALYSIS

The figure of next page displays results for aid recipient countries. An overview of both trends shows that the first five countries: Taiwan, South Korea, Philippines, Costa Rica, and Honduras achieved higher performances in both variables than West African countries. One explanation is that foreign aid to economic development was in general more dynamic in these regions than in the current context of West Africa selected countries. The first three countries of the first group are East Asian while the two last; Costa Rica and Honduras are Latin.

Concerning the core variable of Human Capital (HC), figures tell that Taiwan, South Korea, and Costa Rica stressed human capital investment (1 for each) than Philippines and Honduras (0.5 each). They also display a relatively high quality of foreign aid received by the formers. Albeit weaknesses in natural resources, they achieved an almost equal and good rank in Initial Development. Taiwan and South Korea also shared similar Initial Conditions in terms for land and populations.[15] Philippines despite a good rank for Natural Resources, displays low results for other variables, and 0.5 for its human capital investment.[16] The two last countries Costa Rica and Honduras are medium initial endowment countries. They received a limited amount of money comparing to their East Asian counterparts. However, their achievement is quite different. According to annexes (1) and (2), from 1953 to 1958, South Korea received almost US $ 5 billion as military assistance, and about US$ 2 billion as US direct economic assistance.

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[15] Herald Helleiner (ed.) chap.10, Kwang Suk Kim "Trade and industrialization policies in Korea: An overview" (*UNU/WIDER*, London,1994), 317. Reversely to Philippine Political, and military aimed were huge in both countries at the time where they received this quality of foreign assistance (confer annex for details view of U.S Korea foreign assistance content).

[16] Philippine has a wider land of 30,000sq km for 29 millions peoples where any land reform program has been implemented, and still small peasants live besides strong landholders.

Table set 8: Economic Development Ranking System.

Infant mortality	Measure	Ranking Index
More than 90	Low	0 to 0.2
From 60 to 90	Medium	0.3 to 0.5
Less than 60	High	0.6 to 1
Fertility rate	Measure	Ranking Index
More than 5	Low	0 to 0.2
From 3 to 5	Medium	0.3 to 0.5
Less than 3	High	0.6 to 1

Literacy	Measure	Ranking Index
Less than 50	Low	0 to 0.2
From 50 to 80	Medium	0.3 to 0.5
More than 80	High	0.6 to 1
GNP	Measure	Ranking Index
Less than 500	Low	0 to 0.2
From 500-to 1000	Medium	0.3 to 0.5
More than 1000	High	0.6 to 1

Countries Group 1	Infant Mortality per 1000	Literacy %	Fertility Rate%	GNP $US	Rank
Taiwan	Medium	Medium	Medium	High	1
South Korea	High	High	High	High	1
Philippines	High	High	Medium	High	0.8
Costa Rica	High	High	Medium	High	1
Honduras	High	Medium	Low	High	0.6

Source: From the author based Congress Budget Office (CBO), *the role of Foreign Aid in Development: South Korea and the Philippines*, **(Septembre1997, and December 1997 for Costa Rica Honduras), 2-4. Information for Taiwan were collected from Neil Jacoby, (op-cit), PP.294-297**

Graph set 4: East Asia, Latin America, And West Africa Selected Countries Aid to Economic Development Comparison.

East Asia and Latin America Countries (1950s-1990s)

West Africa Countries from 2000
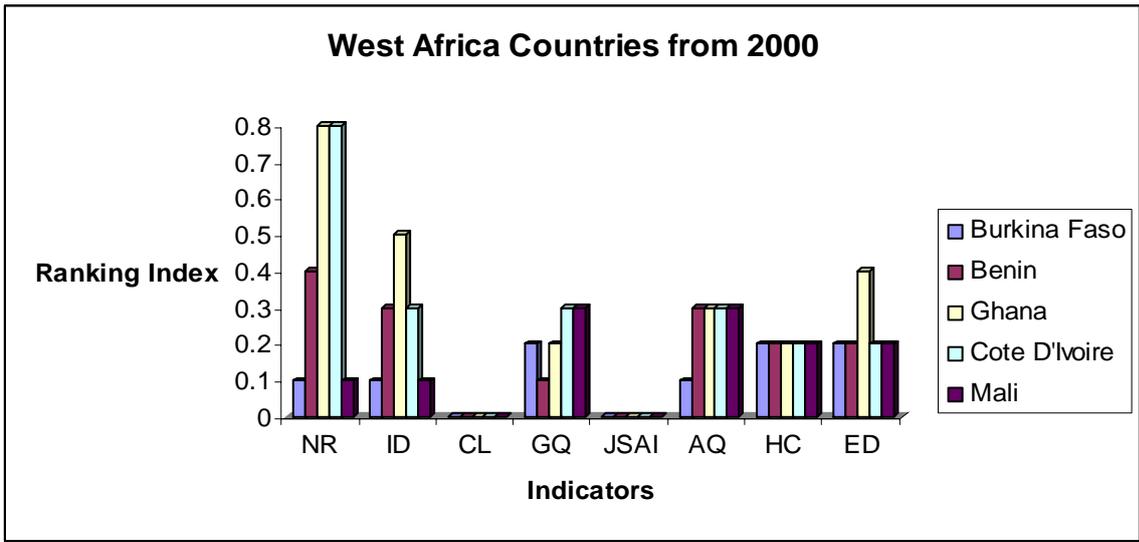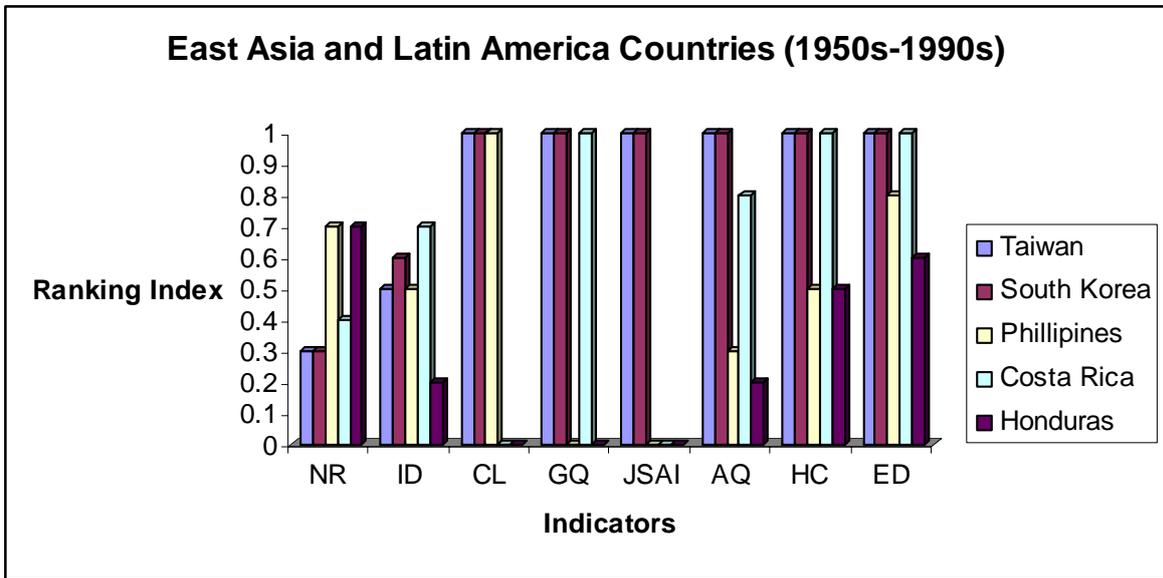
Source: figures draw by the author based on data from the Congressional Budget Office Memorandum, 1997 for the East Asia and Latin America countries, and on the OECD aid recipients' data for the West Africa countries. For both countries, complementary information was collecting from the www.cia.org and countries official information WebPages.

Considering this same period, Costa Rica had received a slightly high assistance of about 1 billion as military assistance and 0.5 billion for U.S assistance to economic assistance. Honduras receipts for both kinds of assistance remained around 0.5 billion. Costa Rica invested more, and skillfully in its human capital. As stated by the CBO Memorandum, U.S assistance was investing in education, health care and agriculture development. [17]: It nicely called it a "growth without living the poor behind".

Thus, one can cautiously based on Costa Rica experience suggests that with a minimum amount of financial funds and technical assistance, in an economically good governed country, direct investment in sectors related to the poor majority is required to launch a self development process. The reversal evolution of the Honduras, where instability and ill investment in human capital hindered aid assistance is a testimony. The literature mentioned, "The government has been less stable and more corrupt …, moreover, the Honduran government has invested less in human capital than the Costa Rican government."[18] Taiwan, South Korea great achievement in Economic development (1 for each), and Philippines less successful results (0.8) strengthen this idea. A comparison of South Korea and Philippines achievement provides quantitative facts to sustain this idea as well. In 1967 with a GNP of US\$ 911 for the Philippines and US\$ 800 for South Korea, the social variables including Infant mortality rate, Literacy, Fertility rate, and calorie consumption were respectively, 58 percent, 88 percent, 4.5 and 2,547 calorie per capita for South Korea against, 72 percent, 83 percent, 6.0, and 1,802 calories for the Philippines.[19]

A special care to social variables shows that in 1967, South Korean children had more chance to live, their parents were more literate, with a slight slow down in fertility and more food calories than the Filipinos. Therefore, in 1996, 30 years later, South Korea's GNP jump to US\$10.000 while the Philippines have less than US\$ 3000. In 1967 the South Korean were ready to walk on their own feet, the Filipinos even with a slightly higher GNP were not. This seems is the case in worse, when shifting to West Africa countries. This set of country have the same top donors (European Union, France, IDA), a common colonial legacy with a slight

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[17] CBO Memorandum (op-cit 1997), P.29.

[18] Confer Congress Budget Office (CBO), the role of Foreign Aid in Development: South Korea and the Philippines, (Decembre1997), P.2.
[19] Idem

difference for Ghana colonized by the British (the four others were colonized by France). This colonial legacy concern few important infrastructural mostly on the costal regions (Cote d'Ivoire, Ghana, Benin), and a huge transfer of people from hinterlands as Burkina Faso and Mali to those costal regions as labor.[20] As it appears from this short introduction, Cote d'Ivoire, Ghana, and Benin to some extent have good ranks in natural resources, than the landlocked and natural hazards countries of Burkina Faso and Mali.

Despite a relative homogeneity for their colonial legacy, a divergence from governance quality lagged Benin and Ghana behind, when la Cote d'Ivoire, Burkina Faso and Mali led the group.[21] Both countries ranked low for the remaining variables. Any of them has a specific joint semi autonomous institution for foreign assistance implementation. For the most achievement in ODA policy and strategy, a fit-to all Poverty Reduction Strategic Paper initiated by the international community since the early 2000s is currently cohabiting with diverse Non Governmental Organizations (NGOs) drive by different aims and work strategies. That seems not likely to lead to positives achievement in the near future.

The human capital investment is weak, ill plan, leading equally to a low level of economic development (0.2) except for Ghana that surprisingly emerged at a good medium of (0.4) despite a mixed achievement in human capital investment. One possible answer to this emergence is the country higher performance in its initial development couple to a higher receipt in terms of foreign aid (more than 2 billion). Another worthy variable is the crisis in la Cote d'Ivoire from which, Ghana is granting some advantages from foreign direct investment, and more profit in maritime transactions from landlocked countries.

In sums, a right investment to human capital matters for a good achievement in Economic development. However, it required minimal achievements in ancillaries' variables. The amount and the nature of the foreign funds received, means used to fuel funds to key sectors of the economy are important.

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[20] Currently about three, and 6 millions of Burkinabe are respectively residents of the neighboring countries of la Cote d 'Ivoire and Ghana.

[21] One have to make clear that from the independences in 1960's, la Cote d'Ivoire has been the most secure country until the mid 1993s that brought political changes but also insecurity. Ironically, it is from this time that Burkina Faso then famous for its high achievement in "coup d état" has started is cycle of "stability".