enormous pressure on societies to adapt and to create new skills.

Just how integrated is today's global economy? One indicator is trade, now a major engine of growth in developed and developing countries alike. The volume of world merchandise traded today is about 22 times what it was in 1950. During the same period, the value of the world's output has increased seven times over.

Perhaps the deepest integration of all has been the cross-border link-ups of enterprises. The share of OECD countries' capital formation founded on foreign direct investment rose to more than 10 percent in recent years, having stood at around 4 percent for decades.

An increasing proportion of this is in developing countries, including "South-South" investment, but OECD economies still account for the lion's share. Furthermore, the activities of foreign affiliates of multinational enterprises are perhaps the most important drivers of global integration. The share of foreign affiliates in manufacturing turnover has risen in nearly all OECD countries over the past decade.

Efforts to attract foreign capital, especially in the form of foreign direct investment, are critical to growth everywhere. As with trade, foreign direct investment is a win-win deal for host and home countries alike. According to OECD data, for each extra dollar of outward foreign direct investment, there are two dollars of additional exports which, in turn, translate into additional jobs in the home country.

So have we finished integrating? Globalizing? Have we reaped all the benefits? Certainly not yet. It is the high-income countries that have predominantly participated in expanding trade and investment. And their firms will continue to think and act globally—they will not go into reverse. The non-OECD world can become much more integrated into the global economy too. The non-OECD Asian countries have joined world markets more successfully than Latin American countries and much more so than most African countries. And capital markets are still far from being fully integrated.

While developing countries can participate more, so can advanced economies. A recent (and widely quoted) OECD study argues that if barriers to trade, foreign direct investment and domestic competition were reduced on both sides of the Atlantic, the cumulative effect on earnings would mean workers in the OECD area could make an additional full year's wage or more across their lifetimes.

This should be seen as good news. But at the OECD, which has a key role in bringing about a globalization from which all benefit, we know it is not sufficient to point to such incontrovertible evidence that liberalization and market integration work. It is also necessary to address the worries of citizens—and even countries—who see themselves as losers, with their noses pressed against the window looking in at the winners.

Global integration has much farther to go, not least in ensuring that its benefits accrue to all countries. It has much more to achieve in terms of economic growth and concomitant social welfare. This is the age of globalization, but it is just the beginning.

Learn more about the Organisation for Economic Co-operation and Development at www.oecd.org.

The futuristic skyline of Shanghai, China: The non-OECD Asian countries have successfully joined the world markets.

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