
Subject Index

- Anti-Corn Law League, 6
- Antwerp, 28–30
- Argentina, 553–54; tariffs and, 40
- Asia: emigration from, 71–73; globalization and inequality in, 253–54; industrialization of, 354–55; terms-of-trade and, 233
- Australia: financial crises of 1893 and, 495; free trade and, 39; public opinion toward immigration in, 106–7
- Bagehot, Walter, 519
- Bank for International Settlements (BIS), 521–25, 522n11, 532, 537n44
- Banking systems, 376; development of, 123. *See also* Financial systems
- Baring Brothers and Co., 481
- Belgium, free trade and, 39
- Black Death, 15
- Bounty system, 68, 68n3
- Bretton Woods, 125–26, 132, 527–29
- Canada: explanations for immigration to, 85; free trade and, 39
- Canals, 35
- Capital, foreign stocks of, 138–45
- Capital markets, 2; emergence of global, 122–24; evolution of, 124–27; integration of, and migration, 94–95; overview of, 121–22
- Capital mobility, international: advantages of historical study of, 136–38; convergence and, 245–46; downturn in, after 1914, 163–72; foreign capital stocks and, 138–45; mass migration and, 245; real interest rate convergence and, 145–50; trilemma and, 127–29; upturn in, post–World War II, 172–77
- Caravan trade, 19n1
- Central banks, 376–77, 519. *See also* Banking systems
- Check-kiting (*wisselruiterij*), 479–80
- Child labor, global inequality and, 256–57
- China: free trade and inequality in, 255; migration from, 72; per capita income of, 280; terms of trade of, 234
- Chinese Exclusion Act (1882), 72
- Cobden Chevalier treaty (1860), 38, 517
- Coerced labor. *See* Slave trade
- Coffee and tea trade, 21
- Columbus, Christopher, 14
- Committee of Twenty (C20), 530
- Commodity market integration: British decline in land rents and, 38; introduced, 13–14; local, national, and regional, 63; in nineteenth century, 40–42; nineteenth-century decline in transportation costs and, 35–37; price convergence and, 25–28, 63–64; price convergence as measure for, 14; in twentieth century, 54–55
- Commodity markets, 1–2
- Communication, declining cost of, 294–96
- Competence, 320

- Computable general equilibrium (CGE) model, 340
 Contagion, 474–78; defining, 511–13. *See also* Financial crises
 Contract servitude migration, 66–67; from Asia, 71–73
 Contract workers, in Persian Gulf, 77–78
 Convergence: capital flows and, 245–46; capital mobility and, 245–46; conditional, 203–6, 206; economists' expectations for, 193–94; globalization and, 220–26; introduced, 191–93; mass migration and, 241–44; openness and, 208–17; price, 14; of real wages, 502; relative inefficiency of labor as obstacle to, 206–8
 Convergence club, 5; defined, 195; history of (1820–70), 196–97; history of (1870–1914), 197–99; history of (1914–1950), 199–201; history of (1950–2000), 201–3; idea of, 194–95; mapping, 195–96
 Core, 28, 417–19, 468
 Corn Laws, 35, 37
 Cotton textiles, 20–21
 Crises. *See* Financial crises

 Dawes Plan, 522n7
 Deglobalization, 502–3. *See also* Globalization
 Denmark, free trade and, 39
 Disintegration of production, 54
 Divergence, 5; history of, 229–32; in late twentieth century, 351–53; role of technology and, 6. *See also* Inequality
 Dutch Republic. *See* Netherlands, The

 Economic development: competitive model of, 342–43; financial systems and, 413–15; in late twentieth century, 350–57; models of, 339–42; monopolistic competition model of, 343–47; of New World, 336–39; role of institutions and, 337–38; spread of, 353–56
 Economic geography: accounting for facts of globalization and, 366–67; endogenous growth and, 367–68; history of globalization and, 364–65; technology and, 356–57
 Economic geography models, 28
 England. *See* United Kingdom
 Equity returns, 157–61
 European Payments Union (EPU), 133
 European Union (EU), immigration to, 75
 Exchange rate regimes, 431–32, 468–72; financial maturity hypothesis and, 446–47

 Factor-content model of trade, 302–6
 Factor-specific inefficiencies, 278
 Financial crises, 453–76, 510–14; Asian crisis of 1997, 504–6; check-kiting schemes, 479–80; of 1873, 486–88; of 1890, 488–92; of 1893, 492–97; exchange rate regimes and, 431–32; Great Depression, 501–2; history of, 8; Latin American debt crisis (1825), 480–84; Mexican peso crisis of 1994, 504–6; Mississippi Bubble, 477–79; of 1907, 497–501; overview of, 473–76; South Sea Bubble, 477–79; tulip mania, 476–77; U. S. stock market crash of 1987, 504–5
 Financial depth, and exchange rate regime: alternative measurements for, 459–60; in classical gold standard period (1880–1913), 448–52; in modern period (1973–97), 452–54; study results for advanced and emerging countries, 454–56; study results for Latin America and Asia, 457–59
 Financial institutions, 7
 Financial integration: developing and emerging, since 1973, 426–31; regimes of, 423–26
 Financial maturity, 461–63
 Financial maturity hypothesis, exchange rate regimes and, 446–47
 Financial reforms. *See* Monetary and financial reforms
 Financial systems, 373–74, 378–79; data for supporting role of, 388–92; defining good, 374–77; of Dutch Republic, 379–80; economic growth and, 413–15; in France, 384–85; in Germany, 384–85; globalization and, 383; in Japan, 385–88; methodology for measuring role of, 392–93; study results for role of, 393–402; of United Kingdom, 380–81; in United States, 381–84
 First Geneva Convention, 517
 Fixed exchange rates, 133–34
 Flexible exchange rates, 418
 Floating exchange rates, 133, 418, 433
 Fordney-McCumber tariff act (1922), 45

- Foreign capital stocks, 138–45
- France: history of financial systems in, 384–85; interwar tariffs in, 45, 46–47; Mississippi Bubble, 477–79; tariffs in, 38; wage widening in, 258
- Franco, Emile, 524
- Free trade, 6; Asian experiences and, 253–54; Asian nations in nineteenth-century and, 40; between France and United Kingdom, 38; and inequality in postwar third world countries, 253; Latin American experiences and, 253–54; nineteenth-century Europe and, 37–39; postwar between-country inequality and, 249–53. *See also* Trade policies
- French and Napoleonic Wars, 32–35
- Gama, Vasco de, 14
- General Agreement on Trade and Tariffs (GATT), most-favored-nation status and, 49
- General equilibrium modeling, 340
- Generalized inefficiencies, 278
- Geography, role of, and globalization, 323–25. *See also* Economic geography
- Germany: history of financial systems in, 384–85; interwar tariffs in, 45, 46–47; postwar immigration into, 85; tariffs in, 38–39; wage widening in, 258
- Globalization, 126; convergence and, 220–26; in core, 418; drivers of, 350–51; financial systems and, 383; five famous facts of, 365–66; history and, 3; history of, and economic geography, 364–65; immigration policies and, 103–5; inequality and, 272–75; influence of, 228; issues defining, 1–3; noneconomic factors of, 554–62; in periphery, 418; political backlash to, 549–52; politics and, 549–52, 557–58; postwar U.S. economic policy and, 562–65; retreat from (1914–1950), 246–48; role of geography and, 323–25; transition economies, 552–54; wage inequality and, 257–61; winners and losers, 565–69. *See also* Convergence; Deglobalization; Inequality; World trade
- Gold standard, 124–25, 418, 518–19; emergence of, 484–86; fear of floating and, 436–46; financial depth and exchange rate regimes in classical, 448–52; interest rates and, 432–36
- Great Britain. *See* United Kingdom
- Great Depression, 46, 501–2
- Guestworker systems, 98–99
- Hamilton, Alexander, 381–82
- Heckscher-Ohlin-Vanek (HOV) model, 279, 340; technology differences and, 302–6
- Holland. *See* Netherlands, The
- Hoover, Herbert, 45–46
- Hull, Cordell, 47, 48, 526, 528n29
- Illegal immigration, 86–88, 100
- IMF. *See* International Monetary Fund (IMF)
- Immigration. *See* Migration
- Immigration controls, 97–101
- Immigration policies: amnesty and, 100; explanations for changes in, 101–3; future of, 110–12; globalization and, 109–10; humanitarian considerations and, 100; introduction of skills and education components and, 100–101; migration and, 96–97; post-WW II, 98–99; public opinion and, 105–9; role of interest groups and coalitions for, 103–5
- Income per capita, 279–81; access to technology and, 293–98; divergence of, 277; imperfect capital mobility and, 290–93; perfect capital mobility and, 281–90; productivity and, 277–78; TFP as determinant for, 314–20
- Inconsistent trinity proposition. *See* Trilemma
- Indentured servants, 66–67; from Asia, 71–72
- India: efficiency of rail system in, 298–301; income inequality in, 255; indentured servants from, 71–72; per capita income of, 280; terms of trade of, 234
- Indonesia: income inequality in, 255; terms of trade of, 234
- Industrial revolution, world trade and, 30–32
- Inequality: globalization and, 272–75; globalization and (1820–1914), 233–46; international investments and, 261–63; liberalization and, 271–72; mass migration and, 244–45; overview of, 227–29; postwar, 248–49; postwar between country, and free trade, 249–53; prior to 1820s, 229–32; sources of, 263–65; trade and, within postwar third world countries, 253

- Information, 356–57
- Institutions, role of, 352; economic development and, 337–38
- Integration, measuring, 13–14. *See also* Commodity market integration
- International investments, inequality and, 261–63
- International migration. *See* Migration
- International monetary/financial reforms, 89
- International Monetary Fund (IMF), 125, 132, 527; 1990s debt crises and, 533–36; Thai baht crisis and, 536–37
- International monetary regimes, 7–8
- International Postal Congress, 517
- International Postal Union, 517
- International Statistical Convention, 517
- International trade. *See* World trade
- Ireland, interwar tariffs in, 46
- Israel, immigration to, 93–94
- Italy: tariffs in, 39; wage widening in, 258
- Japan, 354; as exporter of silver, 23; history of financial systems in, 385–88; migration from, 72; terms-of-trade and, 233; terms of trade of, 234; wage widening in, 258
- Keynes, John Maynard, 134, 156–57, 527
- Kindersley, Sir Robert, 524
- Knowledge, 318–20
- Korea, terms of trade and, 234
- Kreditanstalt Bank of Austria, 502
- Labor inefficiencies, 278
- Labor markets, 2; globalization in, 65–66; impact of mass migration on, 90–94. *See also* Migration
- Latin America: from destination to source of immigrants, 76; globalization and inequality in, 253–54; interwar tariffs and, 46; protectionism and, 46
- Latin American debt crisis (1825), 480–84
- Law, John, 478
- Less developed countries (LDCs), liabilities of, 175
- Limes*, 417–18
- Lloyd George, David, 520
- Location of production: phases of, 326–28; theory of, 331–36; trade costs and, 325
- Lucas paradox, 245–46
- Macroeconomic policy trilemma. *See* Trilemma
- Mannheim Rhine Shipping Agreement, 517
- Manoilescu, Mihail, 503
- Market integration. *See* Commodity market integration
- Mass migration. *See* Migration
- Matsukata, Masayoshi, 386
- McGarrah, Gates, 425
- McKenna tariff (1915), 44
- Méline tariff, 38
- Mercantilism, Age of, 24–25, 30
- Mexico, 1994 debt crisis of, 535
- MFN clauses. *See* Most-favored-nation (MFN) clauses
- Migration, 118–20, 338–39; Asian emigration, 71–73; barriers to, 97–101; capital flows and, 245; changes in composition of, 96–97; competitive model of, 342–43; contract or coercion, 66–67; convergence and, 241–44; effects of war, depression and restrictions on (1914–1945), 73–74; European mass migration, 69–71; explanations for mass migration, 78–80; future policies and, 110–12; global inequality and, 244–45; globalization and, 109–10; illegal immigration and, 86–88; immigration policies and, 96–97; impact of, 88–94; inequality and, 244–45; integration of capital markets and, 94–95; interest groups and, 103–5; interwar period and, 73–74; labor market impacts of, 90–94; long-run trends in (1850–1913), 80–83; monopolistic competition model of, 343–47; of pioneer free settlers, 67–69; politics and, 101–3; post-WW II constraints on, 74–77; public opinion and, 105–9; real wage convergence and, 88–90; return rates of, 70–71; role of capital markets and, 245; technical change and, 95–96; trade and, 95; trends since 1950 in, 83–86; wage convergence and, 88–90, 241–44
- Mississippi Bubble, 477–79
- Monetary and financial reforms, 544–48; after Bretton Woods, 529–33; Bretton Woods, 527–29; future of, 536–38; in nineteenth century, 517–19; in 1930s, 525–27; in 1990s, 533–36; overview, 515–17; from WW I to Great Depression, 519–25

- Money, 376; standardization of, 517–18
 Mongol Empire, 15
 Most-favored-nation (MFN) clauses, 38;
 General Agreement on Trade and
 Tariffs and, 49; in interwar period, 47–
 48
 Multinationals, global inequality and, 256

 Napoleonic Wars. *See* French and
 Napoleonic Wars
 Netherlands, The: Dutch golden age, 29–30;
 free trade and, 39; history of financial
 systems in, 379–80; tulip mania in,
 476–77
 New World, economic development of, 336–
 39
 New York Stock Exchange, 382
 Nontariff barriers (NTBs), 52
 Norman, Montagu, 524, 528

 Organization for Economic Cooperation
 and Development (OECD), 4–5
 Oslo group, 48
 Ouchy group, 47

 Panel econometrics, 422–23
 Panikkar, K. M., 17
 Peel, Robert, 37
 Pepper, trade in, 17–18, 20
 Per capita income. *See* Income per capita
 Periphery, 28, 417–19, 458
 Persian Gulf, contract workers in, 77–78
 Portugal: economic impact of Voyages of
 Discovery for, 28; spice trade and, 18–
 19; trade with Japan and, 23
 Price convergence: commodity market inte-
 gration and, 25–28; European grain
 tariffs and, 41–42; as measure of com-
 modity market integration, 14
 Production. *See* Location of production
 Productivity, income per capita and, 277–78.
 See also Total factor productivity
 (TFP)
 Protectionism: Europe and, 46–47; Latin
 America and, 46; United States and,
 45–47
 Public finance, 375–76

 Railroads, 36–37, 294, 298–301
 Real interest rate convergence: integration
 of international capital markets and,
 145–50

 Roosevelt, Franklin D., 526
 Russell, H. B., 518
 Russia, income inequality in, 255

 Saving-investment (SI) correlation tests,
 420–22; panel econometrics for, 422–
 32
 Schact, Hjalmar, 528
 Securities markets, 377
 Seven Years War, 25
 Shultz, George, 530
 Silver, 16; European imports of, 21–23;
 Japan as early exporter of, 23; as trade
 commodity, 31
 Slave trade, 31, 66
 Smoot-Hawley tariff, 45, 46, 525
 South Sea Bubble, 477–79
 Spain, economic impact of Voyages of Dis-
 covery for, 28
 Specialization, 2
 Spice trade, 14; discovery of Cape route and,
 17–18; pepper production and export,
 20; Venice and, 18–19
 Steamships, 35–36, 294–95
 Stephan, Heinrich von, 517
 Strong, Benjamin, 528
 Suez Canal, 35–36
 Sugar, trade in, 21
 Sweatshops, global inequality and, 256
 Sweden, tariffs and, 39
 Switzerland, free trade and, 39

 Target zone theory, 433
 Tariffs: Australia and, 39–40; Canada and,
 39; European agricultural products
 and, 38–39; nineteenth-century Latin
 America and, 40; United States and,
 39
 Tea and coffee trade, 21
 Technical change, migration and, 95–96
 Technology: access to, and income per
 capita, 293–98; economic geography
 and, 356–57; efficiency in use of, 298–
 301; organizational changes and, 296;
 political developments and, 296–98;
 role, and divergence, 6; transport and
 communication, 294–96
 Telegraph, 295–96
 Terms-of-trade movements, 233–35
 TFP. *See* Total factor productivity (TFP)
 Third world countries, trade and inequality
 within postwar, 253

- Total factor productivity (TFP), 277, 389; calculating, with imperfect capital mobility, 290–93; calculating, with perfect capital mobility, 283–84; evidence from 1910 on, 284–85; evidence from 1990 on, 285–90; as explanation for differences in income per capita, 314–20; trade patterns and, 301–2
- Trade, factor-content model of, 302–6. *See also* Free trade
- Trade costs, location of production and, 325
- Trade liberalization. *See* Free trade
- Trade patterns: evidence on efficiency and, 306–11; total factor productivity and, 301–2
- Trade policies: in late twentieth-century, 50–54; liberalization of, 64. *See also* Free trade
- Transportation costs, 338; declining, 294–96; history of, 329–31; nineteenth-century decline in, 35–37; in twentieth century, 49–50
- Trilemma, 183–87, 419, 551; history of, 129–35; overview of, 127–29
- Tulip mania (1636–37), 476–77
- United Kingdom: financial crises of 1890 and, 488–92; free trade and, 38–39, 44, 46, 236; gold standard and, 518; history of financial systems in, 381–82; interwar tariffs in, 46; Latin American debt crisis (1825) and, 480–84; nineteenth-century free trade and, 236; South Sea Bubble, 477–79; tariffs in, 38; terms-of-trade and, 232; wage widening in, 257–58
- United Provinces. *See* Netherlands, The
- United States, 76–77; amnesty programs of, 88; changing sources of immigrants to, 76t; economic development of, 336–37; explanations for immigration to, 85; financial crises of 1893 and, 495–96; free trade and, 39; Great Depression and, 501–2; history of financial systems in, 381–84; immigration policy in, 108–9; immigration restrictions of, 72–73; interwar tariffs in, 46; postwar economic policy of, and globalization, 562–65; protectionism and, 45–47; wage widening in, 258–59
- Urbanization, 347–50
- Uruguay, tariffs and, 40
- U shape, 556–57
- U. S. Reciprocal Trade Agreements Act (1934), 47
- Venezuela, tariffs and, 40
- Venice: Anglo-Dutch competition and, 19–20; spice trade and, 18–19
- Volcker, Paul, 530
- Voyages of Discovery: consequences of, 15–16; economic impact of, 28–30; government trade policy and, 24–25; preconditions for, 14–16; qualitative trade trends after, 17–24; trade after, 25–28. *See also* Globalization; World trade
- Wages: convergence in, and mass migration, 88–90, 241–44; inequality in, and globalization, 257–61
- White, Harry Dexter, 134
- Wisselruiterij* (check-kiting), 479–80
- World Bank, 527
- World trade, 16–17; after First World War and, 43–49; after Voyages of Discovery, 17–24, 25–28; early government policy, 24–25; impact of, within Europe, 28–30; impact of French and Napoleonic Wars on, 32–35; industrial revolution and, 30–32; migration and, 95; nineteenth-century, 35–43; in nineteenth century, 42–43; twentieth-century, 43–55. *See also* Globalization; Voyages of Discovery
- Young Plan, 522n7
- Yugoslavia, tariffs in, 45
- Zheng He, 14