

Globalization: some stylized facts (not exhaustive!)

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Globalization 1

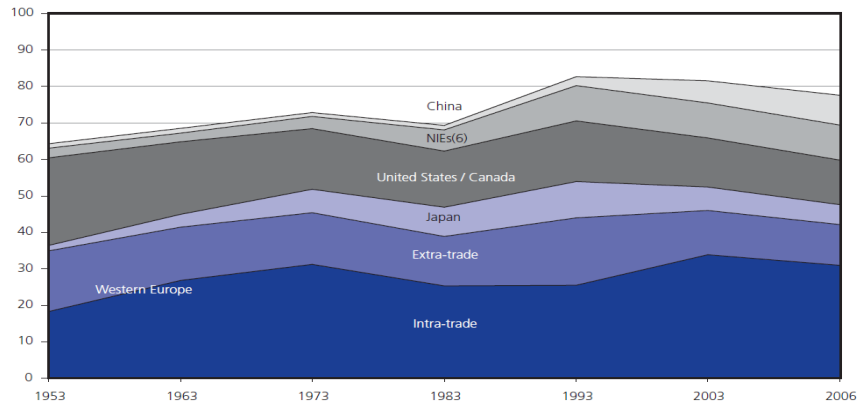
Table 1
Globalization waves in the 19th and 20th century
 (Percentage change unless indicated otherwise)

World	1850-1913	1950-2007	1950-73	1974-2007
Population growth	0.8 ^a	1.7	1.9	1.6
GDP growth (real)	2.1 ^a	3.8	5.1	2.9
Per capita	1.3 ^a	2.0	3.1	1.2
Trade growth (real)	3.8	6.2	8.2	5.0
Migration (net) Million				
US, Canada, Australia, NZ (cumulative)	17.9 ^a	50.1	12.7	37.4
US, Canada, Australia, NZ (annual)	0.42 ^a	0.90	0.55	1.17
Industrial countries (less Japan) (cumulative)	64.3
Global FDI outward stock, year			1982	2006
FDI as % of GDP (world)	5.2	25.3

^a Refers to period 1870-1913.
 Source: Maddison (2001), Lewis (1981), UNCTAD (2007), WTO (2007a).

Globalization 2

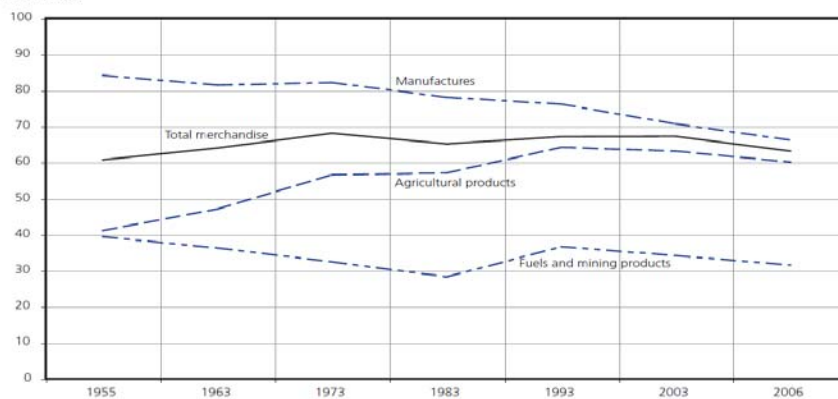
Chart 1
Share of major exporters in world merchandise trade, 1953-2006
(Percentage)



Note: Break in series between 1993 and 2003. Western Europe becomes Europe including Eastern Europe and Baltic States.
NIEs - Newly Industrialised Economies comprising Chinese Taipei; Hong Kong, China; Rep. of Korea; Malaysia; Singapore and Thailand.
Source: WTO Secretariat.

Globalization 3a

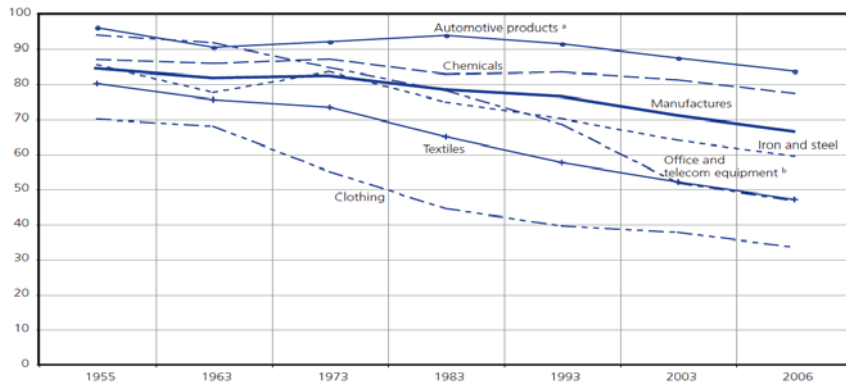
Appendix Chart 1
Share of industrial countries in world exports by major product group, 1955-2006
(Percentage)



Note: EU(15) before 2003 and afterwards EU(25).
Source: GATT, Networks of World Trade, 1978 for the years 1955-73 and GATT, International Trade 1985 for the year 1983, and WTO, Statistical Data Board for the years 1993-2006.

Globalization 3b

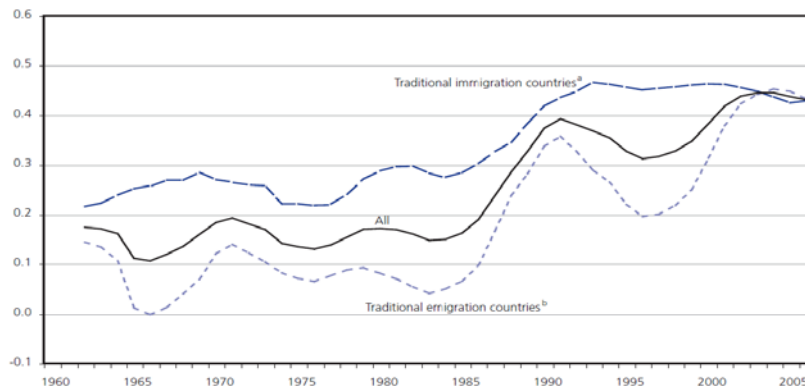
Chart 2
Share of industrial countries in world manufactures exports by product group, 1955-2006
(Percentage)



a Road motor vehicles for the years 1955-73.
b Break in time series between 1973 and 1983.
Note: EU(15) before 2003 and afterwards EU(25).
Source: GATT, Networks of World Trade, 1978 for the years 1955-73 and GATT, International Trade 1985 for the year 1983, and WTO, SDB for the years 1993-2006.

Globalization 4

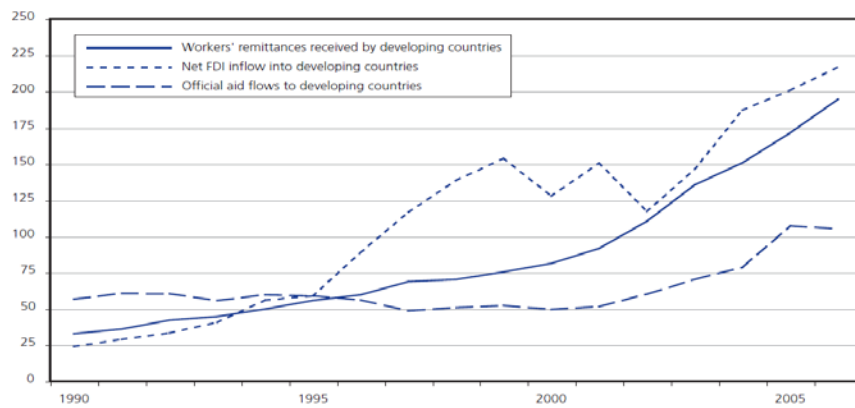
Chart 3
Net immigration into developed countries, 1960-2006
(Five-year moving averages, net immigration as percent of population)



a Traditional immigration countries comprise Australia, Canada, New Zealand and United States.
b Traditional emigration countries are composed of 18 western European countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.
Source: OECD, Labour Force Statistics.

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Appendix Chart 3
Selected financial flows to developing countries, 1990-2006
(Billion dollars)



Source: World Bank, World Development Indicators, UNCTAD, World Investment Report 2007, OECD, Development Assistance Committee online database and WTO estimates.

Monetary Poverty

Extreme poverty around the world has been reduced since 1820 if we control for population increase. In absolute terms it has continuously increased between 1820 and 1980. After it has reduced

World Poverty 1a: World population with less than 1.08 US\$ (PPP) per day (old estimates)

	1820	1929	1950	1960	1970	1980	1987*	1992	1998*	2005°
%	83,9	56,3	54,8	44	35,6	31,5	28,3	23,7	23,4	17,2
million	886,8	1149,7	1175,7	1230,7	1342,6	1431,2	1183,2	1176,0	1175,1	931,3

Source: Bourguignon e Morrison (2002), for * Chen e Ravallion (2001), for ° Chen,Ravallion (2008)

World Poverty 1b: World population with less than 1.25 US\$ (PPP) per day (new estimates)

						1981	1987	1993	1999	2005
%						52,2	41,8	38,9	33,7	25,7
million						1913,3	1718,2	1785,1	1695,4	1399,6

Source: Chen e Ravallion (2008)

Non-Monetary Poverty

Continuous reduction in all regions

World Poverty 2: Human Development Index for geographic areas (weighted average)

	1870	1913	1950	1995
Australasia	0.539	0.784	0.856	0.933
North America	0.462	0.729	0.864	0.945
Western Europe	0.374	0.606	0.789	0.933
Eastern Europe		0.278	0.634	0.786
Latin America		0.236	0.442	0.802
Eastern Asia			0.306	0.746
China			0.159	0.650
Sourth Asia		0.055	0.166	0.449
Africa			0.181	0.435

Source: Crafts (2000)

Three different approaches to measuring inequality in the world

	<u>Concept 1:</u> unweighted inter-national inequality	<u>Concept 2:</u> weighted inter- national inequality	<u>Concept 3:</u> “true” world inequality
Main source of data	National accounts	National accounts	Household surveys
Unit of observation	Country	Country (weighted by its population)	Individual
Welfare concept	GDP or GNP per capita	GDP or GNP per capita	Mean per capita disposable income or expenditures
National currency conversion	Market exchange rate or PPP exchange rate (but different PPP concepts used)		
Within-country distribution (inequality)	Ignored	Ignored	Included
Results: - 1820-1980 - 1980-2000	Increase Increase	Increase Reduction	Increase Reduction

Source: adapted from Milanovic (2002)

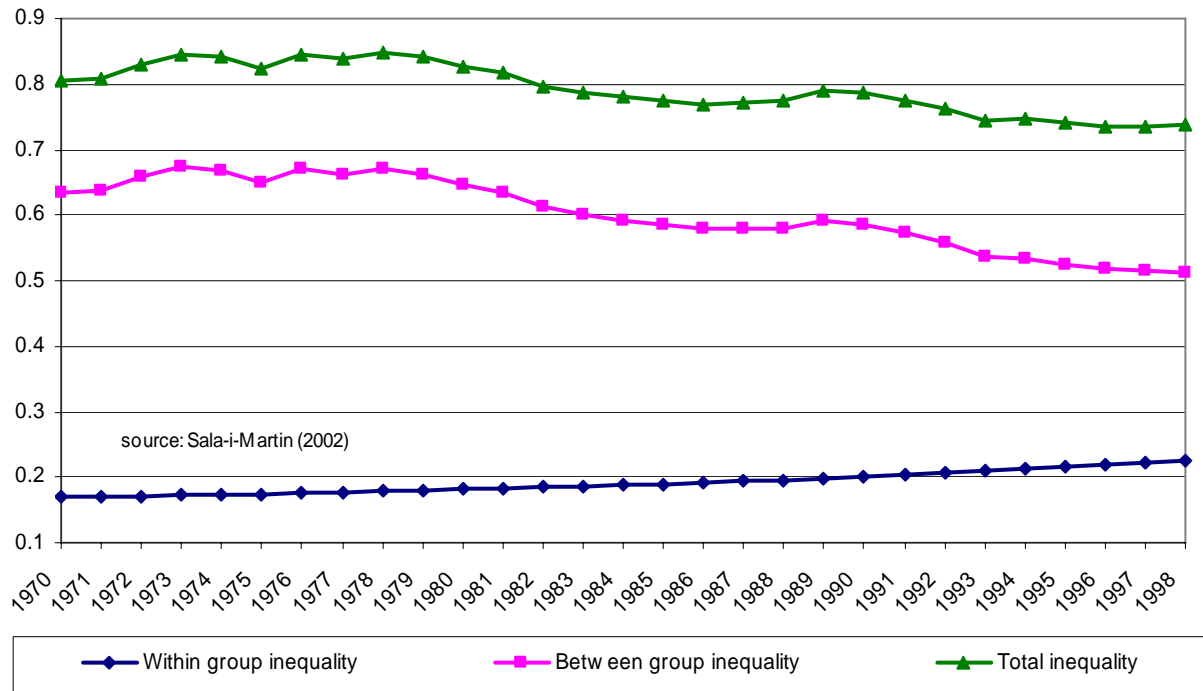
World Income Inequality 1: the long run (mean logarithmic deviation)



World income inequality has continuously increased between 1820 and 1980.

Note the inversion in relevance of the two components: between 1820 and 1930 *within country inequality* has been the most important component of world income inequality. After 1930 the leading component has become *across country inequality*.

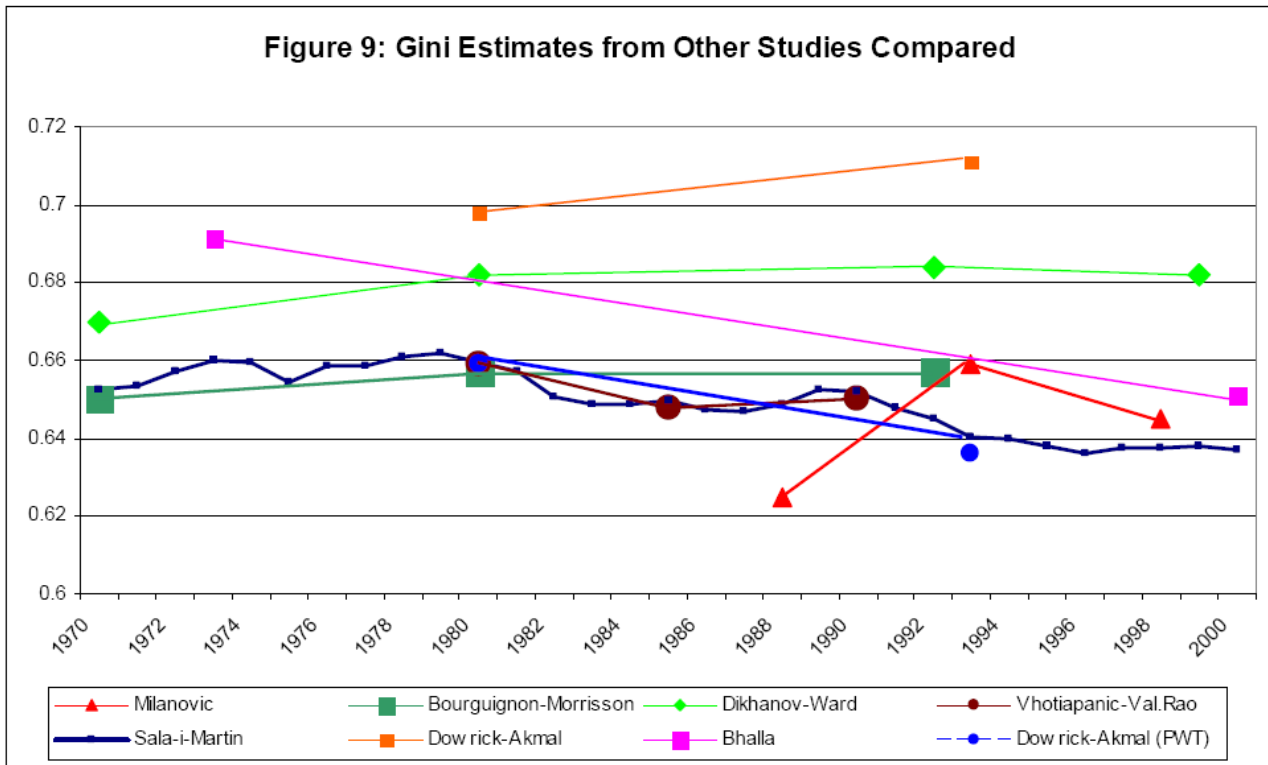
World Income Inequality 2: the last 30 years (mean logarithmic deviation)



In the last 20 years world income inequality has inverted its trend and started reducing. This evolution is mainly due to the fast convergence in per capita income between China (from 1980) and India (from 1990), on one side, and the developed countries, on the other.

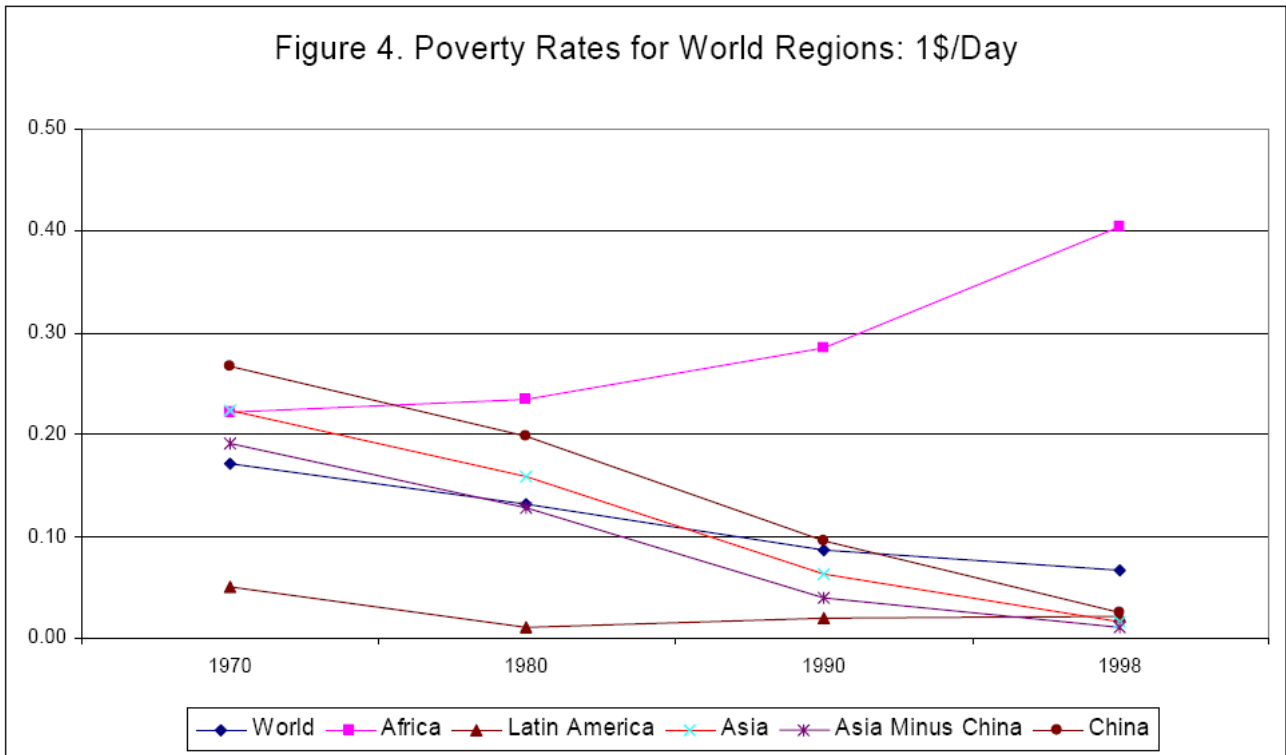
Note also the increase in the role played by within country inequality.

World Income Inequality 3: comparison of various studies (another measure: Gini coefficient)



Fonte: Sala-i-Martin (2005)

Monetary Poverty in World Regions



Fonte: Sala-i-Martin (2005)

