Exaggeration of Globalization?
- For trade, *rate* of change is not faster than in past (Findlay & O’Rourke)
  o Merchandise exports as a percentage of world GDP increased almost eight-fold between 1820 and 1913
    ▪ roughly doubled between 1913 and 1998 (from 7.9% to 17.2%)
    ▪ World War I and World War II interrupted trade
    ▪ Many states had not returned to 1913 levels of trade until after 1973
  o But composition of trade has changed
    ▪ Intra-industry rather than inter-industry (cars for cars, rather than cars for crops)
- For finance, rate of change is higher after 1980 (Obstfeld & Taylor)
  o In 1900 foreign assets were 19% of world GDP; in 1980, 25%
  o By 1995, 62 %
  o But major states share of all assets is much lower than before WWI

Is Globalization Misunderstood?
- increase in rate of change of trade or investment?
- increase in levels of trade and investment
- should trade and investment be distinguished?
- Convergence v. globalization (Dowrick & DeLong)
  o Convergence as rapid economic growth and industrialization (modernization)
  o “convergence club” consists of Europe, East Asia, and China, India, and Brazil
- How harmful is globalization?
  o Less-skilled workers in industrialized states suffer
    ▪ High-skilled job growth continues
  o More open economies have more equal income distribution
    ▪ Trade is not shown to increase inequality
Continuing Need for Sovereign Territorial States (Evans)
- post-modern industries require regulation
  o “new economy” and intellectual property rights demand highly capable states
- regulation need to enforce transparency
  o crony capitalism
  o corruption
- international organizations are state-run institutions