

The GLOCREd quarterly newsletter brings you up to date information on publications, events (Conferences, Workshops, Seminars...), which are either organised or supported by our members, and social media related to the research network.

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Kind regards,

GLOCREd team

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## 1. Network news

GLOCREd –'Globalization, Growth and Inequality (19th–21st centuries) – is funded by the Spanish Ministry of Economy and Competitiveness (MINECO). The network is composed of eight R+D projects nationally supported. Our principal aim is to promote research and knowledge transfer worldwide on Globalization, Growth, and Inequality since the nineteenth century.

In the September–December 2016 period we increased our activity in the social media, we supported the workshop '*Capital humano en España – pasado y presente*' (which took place in December) and we supported the organization of the upcoming events: VIII IBEROMETRICS, AGRICLIOMETRICS III and the workshop: 'The New Economic Historians of Latin America'.

## 2. Publications

**Herranz-Loncán A. and Peres-Cajías JA.**

*Tracing the reversal of fortune in the Americas: Bolivian GDP per capita since the mid-nineteenth century*

Cliometrica [[LINK](#)]

In the centuries before the Spanish conquest, the Bolivian space was among the most highly urbanized and complex societies in the Americas. In contrast, in the early twenty-first century, Bolivia is one of the poorest economies on the continent. According to Acemoglu et al. (Q J Econ 117(4):1231–1294, 2002), this disparity between precolonial opulence and current poverty would make Bolivia a perfect example of “reversal of fortune” (RF). This hypothesis, however, has been criticized for oversimplifying long-term development processes by “compressing” history (Austin in J Int Dev 20:996–1027, 2008). In the case of Bolivia, a comprehensive description and explanation of the RF process would require a global approach to the entire postcolonial era, which has been prevented so far by the lack of quantitative information for the period before 1950. This paper aims to fill that gap by providing new income per capita estimates for Bolivia in 1890–1950 and a point guesstimate for the mid-nineteenth century. Our figures indicate that divergence has not been a persistent feature of Bolivian economic history. Instead, it was concentrated in the nineteenth century and the second half of the twentieth century, and it was actually during the latter that the country joined the ranks of the poorest economies in Latin America. By contrast, during the first half of the twentieth century, the country converged with both the industrialized and the richest Latin American economies. The Bolivian postcolonial era cannot therefore be described as one of sustained divergence. Instead, the Bolivian RF was largely the combined result of post-independence stagnation and the catastrophic crises of the late twentieth century.

**Martínez-Galarraga J. and Prat M.**

*Wages, prices, and technology in early Catalan industrialization*

The Economic History Review [[LINK](#)]

Catalonia was the only Mediterranean region among the early followers of the British industrial revolution. The roots of this process can be traced back to the seventeenth and eighteenth centuries when the Catalan economy became integrated into international trade, and a successful printed calico industry concentrated in the city of Barcelona. Although the factory system was largely adopted by the cotton industry in the 1840s, the diffusion of the spinning jenny in Catalonia had occurred earlier, in the 1790s. In line with Allen, this article explores whether relative factor prices played a role in the widespread adoption of the spinning jenny in Catalonia. First, series of real wages in Barcelona are supplied for the period 1500–1808. Second, the prices of labour and capital are compared and the potential profitability of the adoption of the spinning jenny is analysed. Findings show that although Catalonia was not a high wage economy in the way that Britain was in the second half of the eighteenth century, evidence from the cotton spinning sector confirms the relevance of relative factor prices in the adoption of new technology. Within the booming cotton sector after the 1780s, high wages created strong incentives for the adoption of the labour-saving spinning jenny.

**Prados De La Escosura L.**

*Economic freedom in the long run: evidence from OECD countries (1850–2007)*

The Economic History Review [[LINK](#)]

This article presents historical indices for the main dimensions of economic freedom and an aggregate index for the developed countries of today, specifically pre-1994 OECD members. Economic liberty expanded over the last century-and-a-half, reaching more than two-thirds of its possible maximum. However, its evolution has been far from linear. After a substantial improvement

from the mid-nineteenth century, the First World War brought a major setback. The postwar recovery up to 1929 was followed by a dramatic decline in the 1930s. Significant progress took place during the 1950s but fell short of the pre-First World War peak. After a period of stagnation, steady expansion since the early 1980s has resulted in the highest levels of economic liberty of the last two centuries. Each of the main dimensions of economic freedom exhibited a distinctive trend and its contribution to the aggregate index varied over time. Overall, improved property rights provided the main contribution to the long-run advancement of economic liberty.

**Rubio-Mondéjar JA. and Garrués-Irurzun J.**

*Economic and Social Power in Spain: corporate networks of banks, utilities and other large companies (1917-2009)*

Business History [[LINK](#)]

The evolution trend of the Spanish network has not differed essentially from the path of other Western European corporate networks, but the configuration and factors that explain it have a specific pattern in accordance with their economic and social characteristics. The exchange of directors among the largest banks and utilities in Spain was one of the instruments used to consolidate its hegemonic position and to limit competition in other sectors. Network analysis confirms the existence of a crony capitalism, created in a context of institutional weakness and dominance of undemocratic political systems. The extractive elite used the network boards to restrict competition in key economic sectors, at the expense of the economic development of the country, until the liberalisation of the domestic market and its integration into the global economy.

**De la Torre J. and Rubio-Varas MdM.**

*Nuclear Power for a Dictatorship: State and Business involvement in the Spanish Atomic Program, 1950-85*

Journal of Contemporary History [[LINK](#)]

Spain was the first developing country to exploit a nuclear power plant commercially. By the early 1970s Spain had become the major nuclear client of the USA, the world's largest reactor exporter. Despite its importance, historians are just beginning to revisit and establish the sequence of the events that make up Spain's nuclear history. This article analyses the role played by the state in enabling one of Western Europe's poorest countries to join the exclusive nuclear power club. In a departure from the technological approach used in previous literature, the history of Spain's progress in the nuclear power field is retraced against the background of its political and economic evolution.

**Díez-Minguela A., Martínez-Galarraga J. and Tirado-Fabregat D.A**

*Why Did Spanish Regions Not Converge Before The Civil War? Agglomeration Economies And (Regional) Growth Revisited*

Revista de Historia Económica / Journal of Iberian and Latin American Economic [[LINK](#)]

In this paper we explore the relationship between the presence of agglomeration economies and regional economic growth in Spain during the period 1870-1930. The study allows us to revisit the existence of a trade-off between economic growth and territorial cohesion, and also to examine whether the existence of agglomeration economies could explain the upswing in regional income inequality during the early stages of development. In doing so, we present alternative indicators for agglomeration economies and estimate conditional growth regressions at province (NUTS3) level. In line with new economic geography models, agglomeration economies in a context of market integration widened regional inequality in the second half of the 19th century and hindered its reduction during the early decades of the 20th.

**Sabaté O.**

*Does military pressure boost fiscal capacity? Evidence from late-modern military revolutions in Europe and North America*

European Review of Economic History [[LINK](#)]

Warfare and military competition have been defined as important driving forces for the expansion of fiscal capacity during late-modern times. However, the empirical evidence remains inconclusive, and we still lack a historical narrative that explains how warfare has affected the evolution of late-modern fiscal systems. This article aims to fill this gap by analysing the effects of warfare on fiscal development in the light of the so-called Revolutions in Military Affairs that took place in Western countries since the mid-nineteenth century to the present. The results suggest that the interplay between warfare and fiscal expansion has followed an inverted “U-shape” pattern, in which changes in military tactics and technology have pushed public revenues up until the destructive power has passed the nuclear threshold level. Additionally, the results pose that politics is relevant to complete this war-led narrative.

**Martínez-Galarraga J., Rosés J.R and Tirado-Fabregat D.A**

*The Long-Term Patterns of Regional Income Inequality in Spain, 1860–2000*

Regional Studies [[LINK](#)]

Building on a new estimation of regional gross domestic product (GDP) from 1860 to 2000, this paper evaluates the long-run evolution of regional income inequality in Spain. It is found that sustained economic growth and the progressive integration of national markets have been accompanied by an inverted ‘U’-shaped evolution of regional income inequality. Regional inequality in income per worker rose during the second half of the nineteenth century, peaked in the year 1900 and decreased over the following ninety years. Since 1990, together with the exhaustion of the convergence in regional productive structures, Spain's membership in the European Union generated a new upsurge of differences in labour productivity across the country that could be the basis for a new phase of regional income divergence.

**Csereklyei Z., Rubio-Varas MdM. and Stern D.I**

*Energy and Economic Growth: The Stylized Facts*

The Energy Journal [[LINK](#)]

We summarize what we know about energy and economic growth in a set of stylized facts. We combine analysis of a panel data set of 99 countries from 1971 to 2010 with analysis of some longer run historical data. Our key result is that over the last 40 years there has been a stable cross-sectional relationship between per capita energy use and income per capita with an elasticity of energy use with respect to income of less than unity. This implies that energy intensity has tended to decrease in countries that have become richer but not in others. We also find that over the last two centuries there has been convergence in energy intensity towards the current distribution, per capita energy use has tended to rise and energy quality to increase, and, though evidence is limited, the cost share of energy has declined.

**Torregrosa-Hetland S.**

*Sticky income inequality in the Spanish transition, 1973–1990*

Revista de Historia Económica / Journal of Iberian and Latin American Economic History [[LINK](#)]

This paper investigates the evolution of income inequality in Spain during its transition to democracy, suggesting a method for the correction of under-reporting of earnings and profits in the Household Budget Surveys' data. The contribution is twofold: the methodological proposal, based on income-expenditure discrepancy and scaling-up to National Accounts, improves on

previous work and can be useful for similar historical sources in other countries. Second, its application results in an alternative history of the distribution of income in this case, changing the levels and also the observed trend. Previous literature asserted a substantial equalisation, related to the democratisation process, while after the adjustment inequality in disposable income is shown to have been quite persistent.

**Sanchis T., Sanchis-Llopis J.A, Esteve V, and Cubel A.**

*Total factor productivity, domestic knowledge accumulation, and international knowledge spillovers in the second half of the twentieth century*

Cliometrica [[LINK](#)]

This paper analyses the relationship between total factor productivity (TFP) and innovation-related variables during the second half of the twentieth century. We perform this analysis for several European countries (France, Germany, UK, and Spain) and the USA, extending Coe and Helpman's (Eur Econ Rev 39:859-887, 1995) empirical specification to include human capital. We use a new dataset of patents data for the past 150 years to calculate the stock of knowledge using the perpetual inventory method. Our time series empirical analysis confirms the heterogeneous relationship between innovation variables (domestic stock of knowledge, imports of knowledge, and human capital) and productivity. Our results reveal the extent to which observed differences in technology adoption patterns and the levels of endowment of such resources can explain differences in TFP dynamics across countries. The estimated coefficients confirm the considerable gap that still exists between the European countries and the USA in innovation-related variables. Furthermore, we obtain a finding that may have important implications for innovation policies: the higher the levels of human capital and domestic knowledge stocks, the higher will be the response of TFP to a 1 % increase in any of the aforementioned variables.

**Bertoni R. and Willeband H.**

*Do energy natural endowments matter? New Zealand and Uruguay in a comparative approach (1870-1940)*

Australian Economic History Review [[LINK](#)]

Settler economies are characterised by abundant natural resources, but these are not homogeneous between countries. There is very little literature about the economic development of settler economies that identifies differences within the club in terms of natural resources. We look for differences in energy endowments in New Zealand and Uruguay considering coal and suitable conditions for hydroelectric generation. New Zealand and Uruguay were similar in many ways but there were huge differences in income per capita levels. A 'modern' production structure requires sufficient energy supply at competitive costs and New Zealand's better energy conditions explain that difference.

**Tafunell X. and Ducoing C.**

*Non-Residential Capital Stock in Latin America, 1875-2008: New Estimates and International Comparisons*

Australian Economic History Review [[LINK](#)]

We use a homogeneous method to estimate non-residential capital stock for Argentina, Brazil, Chile, and Mexico. Our estimates extend back to the late-nineteenth century, 50 years earlier than the present available estimates. Our estimates use the gross fixed capital formation data base (1850-1950). These data are linked with existing standardised national accounts for the region, such as those of Economic Commission for Latin America and the Caribbean. Finally, we compare investment in Latin American countries to that of advanced economies, particularly focussing on the performance of two settler countries, Argentina and Australia.

**Francisco J. Beltrán Tapia F.J.**

*Common lands and economic development in Spain*

Revista de Historia Económica / Journal of Iberian and Latin American Economic History [[LINK](#)]

The impact of the privatisation of the commons remains a contested topic throughout the social sciences. Focusing on the Spanish case, this article reviews the literature and provides an overall assessment of this historical process based on recent research. Common lands appear to have been reasonably well managed and their dismantling did not foster agricultural productivity. Instead, the privatisation process negatively affected the economic situation of a large proportion of rural households and local councils, as well as deteriorating the stock of social capital. Therefore, the long-standing belief in the existence of a trade-off between equity and efficiency actually turns out to be misleading.

**Freire Costa L., Lains P. and Münch Miranda S.**

*An Economic History of Portugal, 1143–2010*

Cambridge University Press [[LINK](#)]

This book offers a fascinating exploration of the evolution of the Portuguese economy over the course of eight centuries, from the foundation of the kingdom in 1143, when political boundaries began to take shape in the midst of the Christian Reconquista of the Iberian Peninsula, and the formation of an empire, to the integration of the nation into the European Communities and the Economic and Monetary Union. Through six chapters, the authors provide a vibrant history of Portugal's past with a focus ranging from the medieval economy and the age of globalization, to war and recovery, the Atlantic economy, the rise of liberalism and patterns of convergence. The book provides a unique long-term perspective of change in a southern European country and its empire, which responds to the fundamental broader questions about when, how and why economies expand, stagnate or contract.

**Nicolini E.A. and Ramos Palencia F.**

*Decomposing income inequality in a backward pre-industrial economy: Old Castile (Spain) in the middle of the eighteenth century*

The Economic History Review [[LINK](#)]

Research on economic inequality in early modern Europe is complicated by the lack of appropriate data for reconstructing income or wealth distributions. This article presents a study of income inequality in mid-eighteenth-century Old Castile (Spain) using the Ensenada Cadastre, a census conducted between 1749 and 1759. The article describes the information provided by this census and then discusses its advantages and disadvantages for reconstructing income profiles and calculating income inequality. This is followed by analysis of a dataset derived from the Cadastre that consists of more than 4,000 observations from Palencia (a province in northern Spain) and contains information on sources of household income, each household head's main occupation, residence location, and other household characteristics. Demographic data from this census is used to weight observations in the sample and thereby minimize selection bias. Findings show that inequality in eighteenth-century Spain was probably substantial despite its relative backwardness; that the relationship between inequality and per capita income was not clear-cut and was probably influenced by measurement of the higher incomes; and that although income inequality was largely driven by uneven land distribution, labour income also contributed to overall inequality—especially in urban centres.

### 3. Supported events

**Workshop: Human capital in Spain – past and present – *Capital humano en España – pasado y presente***

Date event: December 20th, 2016

Place: Valencia, Spain

Workshop organized by the Departament d'Anàlisi Econòmica of the University of Valencia.

More information: <http://glocred.es/uploads/events/12/programme.pdf>

### 4. Upcoming events

**Workshop: The New Economic Historians of Latin America**

Deadline call for papers: November 15<sup>th</sup> 2016

Date event: January 20, 2017

Place: Madrid, Spain

Fourth round of the Workshop “the New Economic Historians of Latin America” in Madrid in January 2017 in collaboration with the Instituto Figuerola of the Universidad Carlos III de Madrid and the kind support of Fundació Areces (Madrid) and the Spanish network ‘Globalization, Growth and Inequality’ (ECO2015–71534 REDT).

More information: <http://glocred.es/uploads/events/11/programme.pdf>

**Conference: AGRICLIOMETRICS III Quantitative Approaches to Rural, Agricultural and Environmental History**

Deadline call for papers: October 15th 2016

Date event: April 3–4, 2017

Place: Cambridge, UK

The third AGRICLIOMETRICS conference is to be held in Cambridge on 3–4 April, 2017. It will be organized in Magdalene College, University of Cambridge, with the assistance of colleagues from the University of Zaragoza, Lund University and the University of Pisa.

More information: <http://glocred.es/uploads/events/10/programme.pdf>

**Workshop: IBEROMETRICS VIII**

Deadline call for papers: September 30th 2016

Date event: April 20–21, 2017

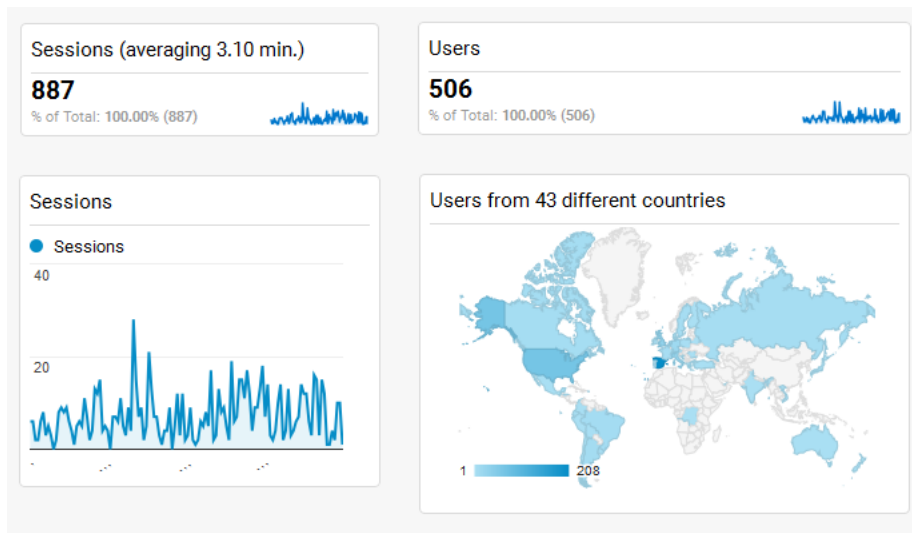
Place: Pamplona, Spain

Iberian Cliometric Workshop organised by Institute for Advanced Research in Business and Economics (INARBE), Universidad Pública de Navarra (UPNA). Check the provided link for the call for papers.

More information: <http://glocred.es/uploads/events/9/programme.pdf>

## 5. Social media

- Web (sessions and users for September–December 2016) [www.glocred.es](http://www.glocred.es)



- Twitter (number of tweets, followers...) <https://twitter.com/GLOCREd2016>

Statistics for September–December 2016		
Number of tweets	Following	Followers
81 (tweets and retweets)	309	99

Funding body:

