absolute advantage 27, 201–2
Absolute Value and Exchangeable Value 36
administrative capacity 346, 349
administrative reform in soft states 282–5
advantages
   acquired and artificial 114, 116, 118, 122, 142, 168, 241
   natural 113, 114, 116, 118, 122, 168
Africa 322, 347
Against the Stream 287
agricultural improvements see
   antagonistic agencies or tendencies in determining rate of profits, Mill;
   antagonistic tendencies between determinants of rate of profits,
   Torrens
agricultural nations, disadvantages 12, 39–40, 136–7, 158–60, 190–95, 336
agricultural productivity and development 230–31, 270–71
agriculture, less scope for division of labour 34, 55–6, 86, 138, 160, 183, 221, 313
Alizadeh, P. 319, 320
America, United States of 12, 16, 103, 168, 216, 258
agricultural exports, barriers to and uncertainty for 102, 136, 143, 158–9
manufactures, benefits of 137, 143
manufactures, promotion of 24, 90, 96, 143, 147
manufactures protection, Smith’s advice against 46
as market for England 34, 64
protectionists in 20, 129–30, 131, 152, 182
as supplier of food and raw produce 38, 92, 103, 158
tariffs and import duties 146
   technological backwardness 148
technology piracy 149–50
Angresano, J. 290
Ansari, J.A. 311, 316, 332
antagonistic agencies or tendencies in determining rate of profits, Mill
agricultural improvements 82–3
law of diminishing return from land (or law of application of capital to land) 82, 83, 84
manufacturing improvements 83–4
antagonistic tendencies between determinants of rate of profits,
   Torrens
degree of skill labour is applied in procuring raw produce or wrought goods 51, 52
natural productiveness of land 51, 52
Argentina 92, 103, 231, 298, 332–3
Ashley, W. 115
Asia 348
   East 186, 345, 346, 347
   high-performing Asian economies (HPAEs) 346, 349
   newly industrialising countries and Asian Tigers 24, 332, 343
   South 268, 269, 271, 277, 284, 287
Asian Drama 262–3, 268–9, 276, 277, 287
assimilation theories 346
Austin, J. 115–17
Backhaus, J.G. 185
backwash effects 15, 266–8, 303, 328–9, 350
Bairoch, P. 344, 355
balance of payments disequilibrium 225, 246
   see also disequilibrium, external;
   disequilibrium, import-export;
   global imbalances
balanced versus unbalanced growth 292, 332
Balassa, B. 255, 327, 332
Baldwin, R.E. 135, 136, 156
Ballance, R.H. 332
Bastable, C.F. 135, 156
Ben-Atar, D. 155
Bhaduri, A. 353, 355
Bharadwaj, K. 78, 101
Blecker, R.A. 45
Bliss, C. 133
Bloomfield, A.I. 26, 31, 46, 127, 133
bounties
versus tariffs, Hamilton 12, 144–8, 338
see also subsidies, bounties, or subventions; trade protection and restrictions, instruments
Bourne, E.G. 138, 153
Bowring, J. 179–80
brain drain 306–7
Brazil 298, 319, 332–3
Brentano, L. 191
Bretton Woods agreements 286
Budget, The 55, 63, 66

Cairnes, J.E. 101, 130–31
Canada 90, 92, 103
capacity building in developing countries 16, 347–9
capacity to create wealth 15, 301–2, 304, 345
capacity to import 226–7, 252
capital accumulation 24, 33, 49, 57, 60, 70, 71, 79, 87–8, 157, 224, 241, 313
capital mobility, international see international capital mobility
capital overflow from England 10, 90–93
capitalist development, classical economists’ simple conception 32–3, 49, 71, 79, 99
Challenge of World Poverty, The 262, 267, 276, 286–7
Chang, H.-J. 24, 182, 186, 354
Change and Development 231, 236, 242, 244
Charlton, A. 7, 219, 352
China 74, 110, 210, 211, 332, 349, 355
classical economists
and capital accumulation 24, 33, 49, 57, 60, 70, 71, 79, 87–8
and capitalist development, simple conception 32–3, 49, 71, 79, 99
and distribution theory see rate of profits, determinants of; wage Myrdal’s assessment 107, 128, 289
and spontaneous structural changes 11, 40, 108–11, 127–8, 335
and stationary state 53, 85
trade protection rejected 112–14
and trade theories see classical trade theories, alternative interpretation; classical trade theories, mainstream interpretation
see also Mill; Ricardo; Smith; Torrens
classical trade theories, alternative interpretation 3
capital accumulation 24, 33, 49, 57, 60, 70, 71, 79, 87–8
capital mobility, international 43–5
capitalist development, simple conception 32–3, 49, 71, 79, 99
Corn Laws, arguments against 9–10, 31, 32, 34–5, 37, 53, 56, 74, 87–8, 335
division of labour, more scope in manufactures than agriculture 10, 34, 55–6, 86
England’s trading partners not received much attention 39–43, 89–90, 335
English capital sent overseas 10, 91, 335
productivity theory 9, 10, 31, 32, 33–4, 54–6, 86–7, 335
rate of profits 33, 35, 49, 51–3, 57, 60, 79, 80–84, 85, 87–8, 101
technological gap, with England leading 3
Index

trade and investment network expanding 3, 10, 92, 96, 99, 335

two-pronged case for free trade for England 10, 35–7, 49, 54, 79, 85–8, 335
uneven accumulation and development 3, 10, 32, 45, 49, 50, 63, 64, 79, 90, 335
wage costs involving food 33, 35, 82
wage costs with manufactures included 52, 83, 84

classical trade theories, mainstream interpretation 3, 25–7
development process absent 23–5, 27–8, 334–5

equilibrating or equalising effects of trade 3–4
general equilibrium analysis, lineage from Mill’s treatment of international values 26, 78
labour theory of value 25–6

cost of labour see wage

commodity terms of trade (CTT) 10, 13, 14, 100, 221–3, 226–30, 248, 251, 252, 254, 297–300, 309, 316, 319, 326, 327, 330, 349, 350

cost of production of wages see wage

declining rate of profits 53, 84–5

debt problem and terms of trade 298–9, 330

development, developmentalist conceptualisation
agricultural and primary production improvements not neglected 6, 230–31, 253, 270–71, 317, 338
barriers and obstacles 5–6, 7, 337–8
and circular and cumulative causation principle 14, 262–3, 268–9, 283, 289, 303, 307, 327, 328, 337, 338, 350
CTT improvement *per se* will not engender development 223, 316
dynamism in the process, Prebisch 220, 223, 224, 225, 229, 230,
231, 236, 241, 248, 249, 250, 251, 256
EP supported, but interweaved with IS 6, 14, 15 178–9, 235-7, 239, 240,
244, 255, 256, 318, 338, 341, 342
equilibrium approach rejected 6, 17,
18–19, 338
and external disequilibrium 225–30,
272–3, 291, 298
FDI regulated for better distribution of gains 6, 8, 15, 240–41, 244–5,
311–12, 322–3, 342
and general productivity improvement, Prebisch 222–3
policy instruments: non-trade 6, 8,
144–50, 172–3, 243–4, 279–80,
317, 338–9, 341–2
policy instruments: trade 8, 144–8,
172–3, 243–4, 280–81, 317,
338–9, 342
policy space 340, 341, 342
technological capability cultivation 6,
8, 15, 148–50, 172–3, 321–3,
333, 336, 339, 342, 346
technological gap 3, 4, 6, 8, 304–7
trade restrictions, caution against 177–8, 208–9, 232–4, 239, 281,
338, 341, 353
uneven development 221, 222, 238,
264–8, 302–7, 335, 350, 352
*see also* Hamilton; List; Myrdal;
Prebisch; Singer
development, mainstream characterisation
compartamentalised market failures as barriers and obstacles *see* market failures
as static resource allocation 15, 18,
27–8, 337, 352
*see also* domestic divergences, theory of
Development Agenda, WIPO 351
development process, neglected by Manollesco 205–6
development promotion, Stiglitz's comprehensive approach 353
Development Round *see* Doha Round
developmentalist version of history of economic thought 2–3, 9, 16, 352
developmentalists 4, 6, 7, 11
plead for principle akin to SDT 181, 212, 245–6, 286–7, 324, 340
*see also* development, developmentalist conceptualisation
Díaz-Alejandro, C.F. 133, 354
Dimand, R.W. 117
directly unproductive profit-seeking (DUP) 293
disequilibrium
balance of payments 225, 246
external 220, 226, 229, 231, 235, 236,
241, 245, 248, 256, 298, 311–12
import-export 226
*see also* Myrdal, foreign exchange shortages
divergent forces 303–4
division of labour 36, 41
Hamilton 138–9
List 160, 163–4, 183
Mill 86
more scope for manufactures than agriculture 10, 12, 13, 34, 55–6,
86, 138, 160, 221, 313, 336
Rae 118
Ricardo 35–6, 37
Singer 40, 313
Smith 33, 129
Torrens 54–5
Dobb, M. 101
Doha Round 352
Cancún Ministerial Conference 351
Development Round 352
Geneva Ministerial Conference 352
Market Access for Non-Agricultural Products (NAMA) 354
Market Access Proposal (MAP) 350
Ministerial Declaration 352
Singapore Issues 351
domestic distortions, theory of *see*
domestic divergences, theory of
domestic divergences, theory of 1, 4, 5, 7, 10, 19, 125–7
assumptions behind 125–6, 132–3
by-product distortions 125
index

market failures, compartmentalised 7, 19, 126–7, 133, 335, 337
market failures, corrections 125, 126
principle of targeting 5, 6, 19, 125, 150, 186, 279, 349
ranking policy instruments 19, 125
subsidy-biased approach 132
theory of second best 19, 133, 337
Dosi, G. 157
double standard morality in international institutional reform 285–8
dualism
and FDI 308–12
internal see internal dualism
international see international dualism in science and technology 304–7
Dynamic Development Policy 223, 229–30, 242
East Asia see Asia, East
Economic Development of LA 217–18, 221, 223
Economic Survey of LA 221, 223, 225–6, 227–8, 231, 233, 235, 238, 243
Economic Theory and Underdeveloped Regions 265, 267, 282, 286
Economists Refuted, The 51, 54
Edgeworth, F.Y. 26, 29
Elmslie, B. 31–2
Elts, W.A. 33, 40
empirical studies on trade and development
approaches informed by mainstream history of economic thought 343–4
Bairoch 344
findings supportive of the developmentalists 345, 355
employment crisis and internal dualism see internal dualism
endogenous growth theory 301
Engel’s Law 300, 311, 331
England
capital overflow to abroad 90–93
causes of distress, 1830s to 1840s 61–5
as corn exporter hypothetically 41–2
as corn importer 56–7, 87–8
dynamic benefits from trade 33–7, 54–6, 57, 58, 86–8
export of technology, restrictions 62, 98, 127, 134
foreign competition 62, 97–8
free trade, share of gains largest 96
free trade, two-pronged case 10, 35–7, 49, 54, 79, 85–8, 335
tariffs against its manufactured exports 62, 65, 96–7
technological lead 3, 97–8
trade with France, scenarios 42–3, 58–60
England–Germany model see Mill, England–Germany model
critique by Manollesco 202–4
England–Portugal model see Ricardo, England–Portugal model
critique by Manollesco 196–202
EP see export promotion
equilibrium approach and frameworks 4–5, 6
rejection by Kaldor 184
rejection by Myrdal 261–4
see also general equilibrium analysis
Essay on Profits 35, 38, 45
exchange rate
depreciation 243
undervaluation 350, 351
export bounties 173–4, 341
see also subsidies, bounties, or subventions
export markets and colonisation 69–70, 92–3
export promotion (EP)
List 178–80
Myrdal 273–8
Prebisch 235–7, 239–40, 244, 255, 256
Singer 317–21
exports by developing countries, preferential treatments
Generalized System of Preferences see Generalized System of Preferences
MAP, Doha Round see Doha Round, MAP
Prebisch 247–8
exports of manufactures see manufactured exports
External Corn Trade 51–2, 55, 109
Rethinking Trade and Commercial Policy Theories

see also disequilibrium, balance of payments; disequilibrium, import-export
externalities 112, 124, 127

factor endowment versus factor use, H-O-S model 314
factoral terms of trade (FTT) 228, 299

Fair Trade for All: How Trade Can Promote Development 7
FDI see foreign direct investment
Finger, J.M. 344
Flanders, M.J. 219, 251, 252, 255
foreign competition as cause of England's distress 62, 97–8
foreign direct investment (FDI) and dualism 308–12
and need for regulation 6, 8, 15, 240–41, 244–5, 311–12, 322–3, 342
in resource-rich underdeveloped countries 265–6, 329–30
and technological capability cultivation 244, 312, 322–3
see also investment measures
foreign exchange shortages see disequilibrium, balance of payments; disequilibrium, external; disequilibrium, import-export
framework of trade see Singer, framework of trade
France 24, 38, 41, 42, 47, 56–7, 158, 181, 190
scenarios of trade with England 42–3, 58–60
Frankenhoff, C.A. 251
free trade, scepticism toward Hamilton 140–44
List 167–71
Manoïlesco 190–91, 211–12
Myrdal 264–5, 267
Prebisch 217–18, 245
Singer 295, 312–13, 324
see also SDT, developmentalists' plead for such principle
free trade in corn see corn trade
free trade versus protection, misplaced focus 7–8, 338–9
Freeman, C. 173
FTT see factoral terms of trade
Garegnani, P. 46
GATT see General Agreement on Tariffs and Trade
General Agreement on Tariffs and Trade (GATT) 8, 16, 181, 340, 344, 354
economic homogeneity of nations, principle criticised 245, 286
Generalized System of Preferences 340–41
SDT see special and differential treatment
see also multilateral trade negotiations
general equilibrium analysis
fundamental theorems of welfare economics 28
lineage from Mill's treatment of international values 26, 78
trade protection, analysis of 18
see also equilibrium approach and frameworks
Generalized System of Preferences (GSP) 340–41
German states and Germany 24, 88, 95, 96, 130, 156, 158, 168, 176, 178, 179–80, 181, 190, 203, 204, 316, 327
Ghosh, R.N. 65, 76
Gide, C. 156, 171, 183
global imbalances 349, 350, 355
Global Strategy 222, 223, 246, 247
globalisation
debate 17
rationales 1
scepticism 2
Gomes, L. 27, 72, 157, 188–9, 215
governed market policies 346
government-policy constraint 126
see also theory of second best
Graham, F.D. 9
Great Recession 349, 351
Groenewegen, P.D. 72
Haberler, G. 16, 26, 29, 30, 92, 135, 156, 188, 215, 218, 228, 252, 259
Haddad, L. 157
Hamilton, A. 12, 102, 135–51, 336, 355
agricultural nations, disadvantages 12, 136–7, 336
America's trading partners not practising free trade 143
bounties versus tariffs 12, 144–8, 338
and Coxe 151–2
division of labour 138–9
division of labour, more scope for manufactures than agriculture 12,
138
influence on List 182, 183
influence on Rae 129, 130, 139, 155
influence of Smith 47, 138–9, 140–41
manufacturing activities, benefits 137–40
manufacturing activities, more scope for division of labour 138
manufacturing nations, favourable balance of trade 137
Mill’s endorsement of infant-industry protection, similarities 142
and the physiocrats 152
portrayal as a protectionist 135–6
scepticism toward free trade 140–44
Society for Establishing Useful Manufactures (SEUM) 149–50,
152
structural changes not spontaneous 12, 141–4
support of inventions 148–9
technology piracy 12, 149–50
Harris, D.J. 46
Heckscher, E. 30
Heckscher–Ohlin–Samuelson (H–O–S) model 18, 334
classical roots, Haberler’s interpretation 16
development process, absence of 16–17
factor endowment versus factor use 314
factor-price equalisation theorem 17, 260, 314, 329
MNCs’ activities not emphasised 17–18
Myrdal’s critique 264–5, 267
Singer’s critique 314–15, 329
technology assumed as identical between countries 16, 17, 334
Helleiner, G.K. 354
high development theory 353–4
Hindley, B. 340
Hirschman, A.O. 9, 339
Hoekman, B. 347–8, 354–5
Hollander, S. 31, 78–9, 130
Hoselitz, B.F. 187
hostile tariffs against England’s exports 62, 65, 96–7
HPAEs, see Asia, high-performing Asian economies
Hudec, R.E. 354
human capital
Chicago school 328
Singer 301–2, 328
Hyde, G.L. 218, 253
immiserising growth 75, 291, 299, 327
imperialism 9, 309
import duties see tariffs and trade taxes
import-export disequilibrium 226
see also disequilibrium, balance of payments; disequilibrium, external
import protection as export promotion 178–80
import restrictions see trade protection and restrictions, instruments
import substitution (IS)
choice of industries 253
Myrdal 14, 272, 276–8, 290, 338
new era 351
optimal-tariff grounds 14, 218
Prebisch 14, 231–4, 239, 242–4, 338
Singer 15, 316–21, 338
see also trade protection and restrictions, instruments; trade protection and restrictions, rationales
improvements in skill and machinery, innovations, and inventions
Hamilton 138, 141, 148, 149, 150
List 165, 172, 176
Manoilescu 209
Mill 79, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 98, 122, 128
Myrdal 265
Prebisch 253
Rae 118, 120, 139
Ricardo 35, 36, 37
Singer 40
Smith 10, 33, 34, 40, 41, 54–5, 110, 118, 128, 130, 138, 161
Torrens 54–5, 56, 62, 64, 69
Rethinking Trade and Commercial Policy Theories

see also technological capability, cultivation
income elasticity of demand disparities between primary and manufactured products 13, 20, 229, 252–3, 274–5, 297, 300, 327
income terms of trade (ITT) 252, 298–9, 300, 326–7 increasing returns 19, 40, 43, 269, 301, 331 India 111, 210, 211, 271, 289, 292, 298, 332, 349 individual buying problem versus national buying problem see Manoilesco individual (private) economy versus national economy see List individual profit versus national profit see Manoilesco industrialisation, means of promoting Hamilton 12, 144–50, 338 List 12, 171–8, 338 Manoilesco 13, 208, 338 Myrdal 279–82, 287–8, 338 Prebisch 238–41, 243–4, 244–5, 247–8 Rae 118, 119, 130 primary production not to be neglected 230–31, 253, 270–71, 317 Singer 302, 312, 321–2, 333, 336 industrialisation, rationales Hamilton 137–40 List 160–61 Manoilesco 190–91, 197, 198, 200 Myrdal 269 Prebisch 230 Rae 120–21, 123 Singer 315–16 see also division of labour, more scope for manufactures than agriculture infant-industry promotion rationales, developmentalist considerations Hamilton 141–3 List 169–70, 171 Myrdal 292 Prebisch 232, 247, 257 Rae 118–19 Singer 310, 315, 331 infant-industry protection argument, mainstream interpretation 123–7 Mill 121–3 see also domestic diversifications, theory of innovation systems 19, 346, 353 intangible capital 302 internal dualism 308, 330 international capital mobility 43–5 International Co-operation 226, 232, 233, 240, 243, 246 international dualism 302–7 and FDI 308–12 in science and technology 304–7 International Economy, An 263, 272, 275–6, 276–7, 278, 279, 286 international exchange, terms of see Torrens, terms of international exchange International Trade Organization 286 international values see Mill, international values intraregional trade, Latin America see Latin America, intraregional trade investment FDI see foreign direct investment in technological capacity 322–3 labour-saving 155, 224 see also capital accumulation investment measures 287–8, 312, 322 Investment, Multilateral Agreement on 351 Irwin, D.A. 150, 156–7, 181, 212, 215, 355 IS see import substitution ITT see income terms of trade

Index

Knox, A.D. 259
Krueger, A.O. 112, 154, 293
Krugman, P.R. 17–18, 179, 353

labour-market distortions, failures, imperfections 127, 170, 188, 207, 212, 215
labour-saving investment 155, 224
Lal, D. 273
Lall, S. 18–19, 238, 346, 349, 353
Langer, G.F. 51, 72
Latin America 103, 130, 347

CTT of 217, 222
debt problems 299, 327
Economic Commission for (ECLA) 250, 251
EP 235, 236
external disequilibrium 225, 257
indigenous versus foreign enterprises 240–41
industrialisation 230, 231, 254
intraregional trade 236–7
investment, need for raising 223
IS, problems 232–4, 255, 332
productivity improvements, need for 220, 222–3, 225
technological capability cultivation 238, 332–3
Latsch, W.W. 18–19, 353
Letters on Commercial Policy 56–7
Levi-Faur, D. 186, 187
Lewis, W.A. 9, 251, 270
Linder, S.B. 18, 250
List, F. 12, 41, 130, 156–82, 192, 336, 340, 355
advantages, acquired versus natural 168
agricultural nations, disadvantages 12, 158–60, 336
agricultural nations, unfavourable balance of trade 159
Austin’s review of National System of Political Economy 115–17
belief in free trade in foodstuffs and raw materials 168, 185
comparison of policy alternatives 173–5
division of labour and balance of productive powers 163–4
division of labour, more scope for manufactures than agriculture 12, 160, 183
division of labour and union of labour 163–4
drawbacks of policy instruments, mitigation of 177–8
influence of Hamilton 182, 183
influence on Manoîlesco 191–2, 195
influence on Prebisch 258
Krugman’s IS as EP anticipated 12, 178–9
manufacturing activities, importance 160–61
Marshall’s external economies anticipated 183, 187
mental occupations and production 163, 166
Mill’s endorsement of infant-industry protection, dissimilarities 170, 185
and Myrdal 185, 269, 277, 289, 292
national/political versus private and cosmopolitical economy 167–8
portrayal as a protectionist 156–7
power of producing wealth 12, 162, 336, 345
productive powers versus exchange value 161–2
protection should not be in the same degree across sectors 175–7
reciprocal effects and actions across sectors 165–6, 336
reciprocal effects and actions within manufacturing 164–5
Ricardo mentioned 184
scepticism toward free trade in manufactures 167–71
and Singer 301–2, 315
and ‘Smith’s school’ 161–4, 167–8, 169, 171, 184, 185
stages of development 158
structural changes not spontaneous (after a point) 169–71
tariff 171, 172, 173, 181
tariff and other means of promoting industries 12, 172–3, 338
tariff legislation, progression 175–7
tariff revenue 186
technological capabilities 172–3
torrid zone countries 116, 168, 180, 181, 237, 277
uneven development 171
world trade congress 181, 340
Love, J.L. 213, 257–8
Malthus, T.R. 38, 42, 43, 52
Maneschi, A. 41, 157
ManoIesco, M. 12–13, 47, 182, 188–213, 248, 336, 340, 349
average productivity 215
disadvantageous discrimination resulting from free trade 212, 340
domination, exploitation, unequal exchange 190–91
individual versus international exchange or buying problem 191–3
individual versus national profit 192–3
industry possesses superiority productivity 190, 197, 198, 200
industry promotion, fallacy of composition 209, 349
infant-industry argument, semblance 215
influence of List 191–2, 195
international buying capacity 194
Mill’s England–Germany model, critique and reformulation 202–4
national aims versus interests of humanity 194–5
portrayal as a protectionist 188–9
Prebisch, comparison with 248, 258
productivity differences between sectors as market distortions 12, 127, 206–7
productivity improvement not conceptualised through process of industrial development 205–6, 339
protection, pitfalls 208–9
Ricardo’s England–Portugal model, critique and reformulation 196–201
Smith’s principle of absolute advantage, critique and reformulation 201–2
subventions to promote industries 13, 208, 338
synthetic point of view or synthetic advantage of commerce and of production 193–4
world’s physiognomy and volume of trade 209–11, 349
manufactured exports
List 178–80
Myrdal 275–6
Prebisch 235–7, 247
Singer 319–21
manufactured items in wage-basket see wage, manufactured goods in wages
manufacturing activities, more scope for division of labour 34, 55–6, 86, 138, 160, 183, 221, 313, 336
manufacturing improvements see antagonistic agencies or tendencies in determining rate of profits, Mill; antagonistic tendencies between determinants of rate of profits, Torrens
Market Access Proposal (MAP) see Doha Round, MAP
market failures 1, 5, 7, 15, 18–19, 112, 124, 127, 337–8, 353
capital-market imperfections or failures 7, 127, 170
externaIties 112, 124, 127
information imperfections 19
labour-market distortions 127, 170, 188, 207, 212, 215
monopoly power in trade 14, 50, 71, 219, 316, 336
see also domestic divergences, theory of; theory of second best
market failures, limitations of notion in studying development processes 18–19, 338, 353
see also development, mainstream characterisation
market forces far from perfect 261–2, 285
not spontaneously engender development 241–2
spontaneously engender development 264–5
market interventions
strategic 353
tactical 353
Marshall, A. 20, 183, 187
Meade, J.E. 132, 133
Meenai, S.A. 72
Meier, G.M. 129, 260, 273, 278
mercantile system and mercantilism 9, 24, 128
Michalopoulos, C. 347–8, 354–5
Mill, J.S. 10, 11, 26, 27, 31 60, 78–100, 127, 128, 153, 181–2
agricultural improvements 83, 85
and Austin 115, 122
and Cairnes 130–31
capital accumulation 79, 87–8
capital accumulation, effective desire of 89, 90, 102
capital overflow from England 10, 91
capitalist development, simple framework 79
and Carey 117, 129, 130–31
colonisation 92, 103
commercial reciprocity 97
Corn Laws, argument against 87–8
development process trivialised 126
division of labour 86
division of labour, more scope for manufactures than agriculture 86
downward tendency of profits, counteracting circumstances or resisting agencies 87, 88, 91, 103
England–Germany model 88, 95, 96–7, 123
England–Germany model, critique by Manoilescu 202–4
England’s export of machinery, restrictions 98
England’s technological lead secure 97–8
field of employment 92
free trade, impact on corn-exporting countries ignored 89–90
free trade for England, largest share of gains 96
free trade for England, two-pronged case 79, 85–8
gains from trade, intellectual and moral 134
general gluts 93
indirect effect of trade 86
infant-industry protection 11, 117, 121–3, 124, 142, 335
infant-industry protection, focus on a stand-alone industry 11, 122–3, 126
infant-industry protection endorsement, compared with Hamilton 142
infant-industry protection endorsement, compared with List 170, 185
infant-industry protection endorsement, compared with Rae 122–3, 130
influence of Rae 117, 122, 124
influence of Ricardo 80–82, 101, 102, 103
international values 60–61, 95
law of diminishing return from land (or law of application of capital to land) 82, 83, 84
manufacturing improvements 83–4
means of production 83–4, 88
monopoly power and optimal tariff 78
Prebisch and Singer on centre–periphery trade and investment pattern, stage set for discussion 13, 99–100
productivity theory of Smith 86
rate of profits 79, 80–82, 85, 87–8, 101
rate of profits, antagonistic determinants 82–4, 85
and Senior, Nassau 101, 117
and Smith 80, 86
and spontaneous structural change 110–11
stationary state 85
tariff, protective 11, 122, 124
tariffs against England’s manufactures 96
technological catch-up, difficulties 97–8, 128
technology export by England, restrictions 134
and Torrens 79, 81, 84, 93–5, 96–7, 99, 103
trade and investment network, expansion 92, 96, 99
uneven growth and development 10, 79, 90, 95
wages 80–81, 101
wages that include manufactures 83, 84
and Wakefield 92–3, 94, 102
Mill–Bastable test 120
monopoly power in trade see market failures, monopoly power in trade see also optimal tariff
Multilateral Agreement on Investment 351
multilateral trade negotiations (MTNs) 15, 339–42
Development Round see Doha Round
Doha Round see Doha Round
GATT see General Agreement on Tariffs and Trade
Tokyo Round 341, 354
Uruguay Round see Uruguay Round
WTO 8
see also special and differential treatment
Myint, H. 9, 31, 101, 129, 133, 260, 290–91
Myrdal, G. 14, 27, 259–88, 336, 339, 340
administrative reform 284–5
agricultural improvements not neglected 270–71
automatic mutatis mutandis 264, 289, 353
backwash effects 14, 266–8, 345, 350
balanced versus unbalanced growth 292
bottlenecks, inhibitions, rigidities 265, 271, 275–6, 283, 285, 291
circular and cumulative causation 14, 262–3, 268–9, 283, 289, 307, 327, 328, 337, 338, 350
on the classical economists 107, 128, 289
commercial policies of developed countries 285–6
corruption 283, 284, 293
double-standard morality 286–7, 340
economic versus non-economic factors 262–4, 269
entrepreneurship, lack of 265, 291
EP supported 14, 273–8, 338
equilibrium approach rejected 261–4
FDI in resource-rich underdeveloped countries 265–6
foreign exchange shortages 272–3, 291
H–O–S model, critique of 265, 267
infant-industry argument 292
influence on Singer 15, 274, 291, 302–4, 327, 330
international inequalities 14, 259, 268, 287, 302
investment measures 287–8
IS and import restrictions 14, 272, 276–7, 278, 290, 338
and Kapp 289
and Lewis 270
and List 269, 277, 289, 292
market forces far from perfect 261–2, 285
policy instruments compared 279–82
portrayal as a protectionist 259–60
and Prebisch 262, 274, 291, 294
and the PST 273–4
quantitative controls or restrictions 281
retrenchment in legislations 14, 283–4
social reforms 271, 285, 294
soft or weak states 14, 282–5
spread effects 14, 266–8, 345, 350
structural changes not spontaneous 265, 276
subsidies and non-trade instruments 279–80, 338
surplus labour 292
tariffs 280–81
value premise 288
vicious circle 276, 285
and Wicksell, Knut 289
national buying problem versus individual buying problem see Manoïësco
national economy versus individual (private) economy see List
national profit versus individual profit see Manoïësco
National System of Political Economy 115–17, 160, 166, 172, 176
Natural System of Political Economy 160, 164, 166, 172, 175, 192
Nelson, J. 154
Nelson, R. 19, 346, 353
New Principles on the Subject of Political Economy, Statement of 117–21
Index

New Trade Policy for Development,
Towards a 227, 237, 247
new trade theory 19, 23, 31, 41
newly industrialising countries (NICs)
24, 304, 319
non-reciprocity 15, 340–41, 342
see also SDT
Nurse, R. 9, 35, 339

Obstfeld, M. 17–18
Occampo, J.A. 19
Ohlin, B. 184, 214, 215
optimal tariff 14, 66, 67, 78, 127, 218,
219, 221, 249, 253, 316, 336
see also market failures, monopoly
power in trade
Outlines of American Political Economy
158, 175, 179

Pack, H. 346
Palma, J.G. 249
Pareto efficiency 22, 334
Parkinson, George 149–50
Parks, R.J. 153
Pasinetti, L.L. 46
patent system 311, 323
Pavitt, K. 157
physiocrats 152, 161
piracy of technology see technology,
piracy
policy space 15, 340, 341, 342, 343, 344
political economy versus private and
cosmopolitan economy see List
Pollard, S. 24
positive discrimination see Singer
powers of production outgrowing field of
employment
Mill 94–6
Torrens 63–5
Prebisch, R. 13–14, 14–15, 99–100, 103,
137, 217–50, 295, 298, 340, 350,
354
capacity to import 226–7, 252
development and general productivity
improvement 14, 222–3
development and investment 223–5
development not realised simply by
improving CTT 223
differential tariffs in industrial centres
247
differentiation among less-developed
countries 350
disequilibrium, balance of payments
(or external, or import-export) 14,
225, 226, 246
dynamism in development process 14,
220, 229–30, 250, 345
EP supported, but practised with IS 14,
235–7, 239–40, 244, 255, 256, 338
exchange rate depreciation 243
factoral terms of trade (FTT) 228
GATT, economic homogeneity
principle 245, 340
GATT, non-reciprocity in concessions
245–6
GATT, preferential treatment of
peripheral exports 247–8
implicit or real reciprocity 246
income elasticity of demand,
disparities between primary and
manufactured products 13, 229,
252–3, 336
indigenous versus foreign enterprises
240–41, 244–5
industrial exports 235–6
industrialisation, but not neglecting
primary production 230–31, 253
industrialisation, limits 231–2, 253
infant-industry argument 232, 247,
257
influence of List 258
IS, cautious support 14, 231–4, 239,
242–4, 338
IS, choice of industries decided by
marginal productivity principle
253
IS, optimal-tariff grounds 14, 218
labour-saving investments,
contradictions 224
Lewis, comparison with 251
Manoïlesco, comparison with 248, 258
market forces will not spontaneously
engender development 241–2
market intervention 241–5
and Myrdal 262, 274, 291, 294
price elasticity of demand, primary
products 229
radiating power of industrial centres
222
redundant labor force or surplus manpower 220, 251
savings gap problem 14, 224–5
and Singer 299, 329
South–South trade 236–7
Soviet Union 256
synthetic substitutes for raw materials 229, 329, 336
tariffs versus subsidies 243–4
technical progress, greater in industry than in primary production 221, 336
technological densities 14, 224, 238–41, 256, 345
technological gap between centre and periphery 221–2, 238–41
Torrens’s and Mill’s trade–investment analysis corroborated 13, 99–100
uneven development between centre and periphery 13
vicious circle 224
Prebisch–Singer Thesis (PST) 13, 111–12, 218, 227, 273–5, 249, 297, 326
and Myrdal 273–4
statistical debate 218, 227, 249, 250, 295, 299, 330
see also CTT; ITT
price elasticity of demand, primary products 229, 274–5, 297–8, 327
principle of targeting 5, 6, 19, 125, 150, 186, 279, 349
Principles of Political Economy 87–8, 110–11, 121–3
Principles of Political Economy and Taxation 35–6, 37–8, 43–4, 44–5, 81
prizes for manufacture promotion 177–8
Problems of Economic Growth 226, 231, 233
Production of Wealth 55
productive powers see List, power of producing wealth; List, productive powers versus exchange value
productivity theory
and Mill 86–7
Smith 33–4
and Torrens 54–6
Prospectus of the Society for Establishing Useful Manufactures 155

protection
by developed countries see commercial policy, in industrial centres
effective rate of 154
rejection by classical economists 112–14
see also infant-industry protection argument, mainstream interpretation; trade protection and restrictions, instruments
protectionists, mainstream portrayal 4, 6–7, 343
Hamilton 135–6
List 156–7
Manoliesco 188–9
Myrdal 259–60
Prebisch 218–19
Prowse, S. 347
Pryme, G. 72
PST see Prebisch–Singer Thesis
quantitative controls or restrictions see trade protection and restrictions, instruments
Rae, J. 9, 139
bounties 119
duties 119
importation of new arts 118
influence of Hamilton 129, 130, 139, 155
influence on Mill 117, 122, 124
premiums 119
and Smith 118, 119, 120, 130
technological development 130
technology transfer needs support 119
variety of effects from technology transfer 120–21, 123
Raffer, K. 326
Ramawami, V.K. 132
rate of profits, determinants of classical economists’ conception 33
Mill 79, 80–82, 85, 87–8, 101
Smith 46, 51
Torrens 49, 51–3, 57, 60
see also antagonistic agencies or tendencies in determining rate of profits, Mill; antagonistic tendencies between determinants of rate of profits, Torrens
Index

Raymond, D. 182
reciprocal effects see List
reciprocity, commercial see commercial reciprocity
Reisman, D.A. 288
rewards for manufacture promotion 177–8
Ricardo, D. 25–7, 31, 32, 33, 34–9, 41–5, 73
capital mobility, international 43–5
comparative advantage 37–8
Corn Laws, argument against 9, 10, 31, 32, 34–5, 37, 87–8, 335
division of labour 36, 37
England–Portugal model 25–6, 28, 29, 37, 38, 60, 74, 78, 88, 98, 123, 124, 214, 339
England–Portugal model, critique by Manoilesco 196–202
England’s trading partners 41–3
improvements in arts and machinery 35, 36, 37
influence on Mill 80–82, 101, 102, 103
influence on Torrens 51–2
and Malthus 38, 42, 43
and Ohlin 46
rejection of protection 113
and Singer 47
specie flow mechanism 37–8
two-pronged case for free trade for England when linked with Smith 35, 37
Rist, C. 156, 171, 183
Robbins, L. 48–9, 54, 65, 66–7, 73, 93, 128, 135
Rodrik, D. 112
Rosenstein-Rodan, P.N. 9, 20, 287, 339
Roy, S. 316
Sachs, J.D. 344
Samuelson, P.A. 26
savings gap problem 224–5
Schumpeter, J.A. 27, 75, 78, 110, 180
science and technology, international dualism 304–7
SDT see special and differential treatment
Seers, D. 258
Seligman, E.R.A. 72
Semmel, B. 97
Senior, N.W. 117
Shafaeddin, M. 183, 186, 187
Singer, H.W. 13, 14–15, 40, 41, 47, 100, 250, 295–326, 336, 340
Agreement on TRIPs, debates anticipated 323
backwash effects 303, 328–9
balanced growth 332
brain drain 306–7
capacity to create wealth 15, 301–2, 304, 345
convergent forces 15, 303–4
and CTT movements 297, 329–30
D optimism or pessimism 301, 303
debt problem and terms of trade 298–9, 330
development not simply realised by improving CTT 316
divergent forces 15, 303
dualism, internal 308, 330
dualism, international 14, 302, 345
dogenous growth theory anticipated 301
Engel’s Law 300, 311, 331
EP, fallacy of composition 319
EP, interwoven with IS 15, 318, 338
factor endowment versus use, H–O–S model 314
FDI, distribution of gains 15, 308–11, 329–30
framework of trade 300, 325
FTT 299
on H–O–S model 314–15, 331
human capital 301–2, 328
immiserising growth 299
income elasticity of demand, primary products 13, 297, 300, 327, 331, 336
industrialisation, but not neglecting primary production 317
industrialisation, cases for 315
industrialisation, integrated 320
infant–industry argument 310, 315, 331
influence of Keynes 327
influence of Myrdal 15, 302–4, 327, 330
intangible versus physical capital 302
investment measures 312, 322
IS, limitations 15, 317–18, 321, 338
ITT 14, 298, 326–7
knowledge, composition versus volume 305
and List 301–2, 315
marginal productivity of capital, critique of 327
Nigeria 316
patent system 311, 323
positive discrimination and compensatory action 324, 340
power relationships between countries 311, 324
and Prebisch 299, 329
price elasticity of demand, primary products 297–8, 327
principle of accumulation 328
on Ricardian trade model 313–14
and Ricardo 47
science and technology, international dualism in 304
and Smith 40, 331
South–South trade 333
spread effects 303
synthetic substitutes for raw materials 328–9, 336
tariff escalation in developed countries 332
technological capacity cultivation 321–2, 333, 336
technological gap, North–South 304–7, 324–5
technological power 301, 324
technology licensing 311, 312
technology transfer 307
Torrens’s and Mill’s trade–investment analysis corroborated 13, 100
trade and non-trade instruments 317
transfer pricing 311–12
U optimism or pessimism 301, 303
Uruguay Round 333
Singer I (The distribution of gains between investing and borrowing countries) 296, 297, 300, 304, 308, 309, 310, 311–12, 322
Singer II (The distribution of gains revisited) 296–7, 301, 305–6, 309–10, 311–12, 313, 314
Singh, A. 347, 352
Smith, A. 9–10, 26–7, 31, 32, 33, 39–41, 72, 80, 118, 127, 128
absolute advantage 27
absolute advantage, critique by Manoílesco 201–2
agricultural nations, disadvantages 39–40
on American development 46
capital mobility, international 44
criticism by List 161–4, 167–8, 169, 171, 184, 185
development, natural versus retrograde order 45
distribution theory 46, 51
division of labour, more scope for manufactures than agriculture 10, 34
influence on Hamilton 47, 138–9, 140–41
influence on Torrens 51
and Manoílesco 47
and Mill 80, 86
productivity theory 9, 10, 31, 32, 33–4, 335
productivity theory and Mill 86–7
productivity theory and Torrens 54–6
and Rae 118, 119, 120, 130
rate of profits 51, 72, 80
and Singer 40, 331
structural changes spontaneous 40, 108–9, 109–10
technology diffusion, ambivalence on spontaneity 109–10, 127–8
technology export by England restricted 127
trade protection created by distance 40
trade protection rejected 113–14
two-pronged case for free trade for England when linked with Ricardo 35, 37
social reforms and development see Myrdal, social reforms
Soete, L. 157
soft states see Myrdal, soft or weak states
Some Unsettled Questions of Political Economy 80–81, 96–7
South Asia see Asia, South
South–South trade
Prebisch 236–7
Singer 333
Index

special and differential treatment (SDT) 15, 16, 339–42, 348, 352, 354
delays on implementation, exemptions, best efforts endeavours 347
developmentalists plead for such principle 181, 212, 245–6, 286–7, 324, 340
Framework Agreement, Doha Round 352
GATT-defined SDT 15, 340, 343, 345, 347, 348, 350, 354
Generalized System of Preferences (GSP) 340–41
implicit SDT 15, 340, 343, 345, 346, 348, 350
Ministerial Decision on Implementations Issues 352
Ministerial Declaration, Doha Round 352
non-reciprocity 15, 341, 342
and policy space 15, 340, 341, 342, 343, 344
rights to access export markets 347
rights to promote development 348, 349, 350
rights to protect 347
see also trade-related capacity building (TRCB)
spcie flow mechanism 37–8
Spengler, J.J. 102, 129, 130
spontaneous structural changes see structural changes spontaneous
spread effects 15, 266–8, 303, 350
Sraffa, P. 35, 52, 72
Srinivasan, T.N. 28, 132
state-aided industrialisation see industrialisation, means of promoting; industrialisation, rationales
stationary state 53, 84–5
Stiglitz, J.E. 7, 19, 219, 352
strategic trade policies 19, 41
structural changes not spontaneous 32
classical economists’ inkling 127–8
Hamilton 141–4
List 169–71
Myrdal 265, 276
Prebisch 241–2
structural changes spontaneous classical economists 11, 40, 58, 108–11, 335
modern mainstream economists 111–12, 264–5
Subsidies and Countervailing Measures (SCM), Agreement on 346, 350–51, 352, 355
subsidies, bounties, or subventions 15
domestic 341, 346
export 173–4, 341, 346
Hamilton 144–7
List 172
Manoi1esco 208
Mill 123–4
Myrdal 279–80
Prebisch 243–4
Rae 119
and SCM Agreement 355
Singer 317
versus tariffs, developmentalists’ considerations 144–8, 243–4, 279–81
versus tariffs, mainstream considerations 124
see also bounties; domestic divergences, theory of
subventions see subsidies, bounties, or subventions
surplus labour
Prebisch 220, 251
Myrdal 292
Syrett, H.C. 47, 146, 151, 152
Tajima, K. 146
targetting, principle of see principle of targetting
tariff-growth paradox 344
tariffs and trade taxes 340
escalation in industrial centres 247, 286, 332
Hamilton 136, 144–8
hostile, against England’s exports 65, 96–7
List 117, 156, 172–7
Manto1esco 208–9
Myrdal 280–81
Prebisch 242–4
Rae 119
revenues from 353
Singer 317
versus subsidies see subsidies, versus tariffs
see also commercial reciprocity; Corn Laws; trade protection and restrictions, instruments

Taylor, L. 19


technological capacity enhancement see technological capability cultivation


technological densities 14, 224, 238–41, 256, 345

technological gap 3, 4, 6, 8

with England leading 3

Prebisch 221–2, 238–41

Singer 304–6, 324–5

technology capability cultivation see technological capability cultivation
densities see technological densities
diffusion, Smith’s ambivalence on spontaneity 109–10, 127–8
diffusion and international dualism, Singer 307

export by England, restrictions 62, 98, 127, 134

gap see technological gap

piracy 149–50, 339
technology piracy see technology, piracy
terms of international exchange see Torrens, terms of international exchange

theory of commercial policy 1, 124, 335

see also domestic divergences, theory of

theory of domestic distortions see domestic divergences, theory of
terms of domestic divergences see domestic divergences, theory of

Theory of Protection and International Trade 191, 192, 194, 208–9

TNCs see transnational corporations

Tokyo Round 341, 354

Torrens, R. 10, 26–7, 31, 48–71, 93, 127

advantages, artificial versus natural 62
capital accumulation 49, 57, 60, 71
capitalist development, simple framework 49
colonisation 10, 49, 69–70, 76
commercial reciprocity 10, 49, 66–8
comparative advantage 27, 56–7

corn model 72
demand, reciprocal 75
demand, relative degrees of 50, 61, 62, 71
distribution theories 48, 72
division of labour 54–6
division of labour, more scope for manufactures than agriculture 55–6

foreign competition against England 62

free trade benefits corn-exporting new countries 58
free trade benefits corn-importing England 56
free trade for England, two-pronged case 54
free trade harms corn-exporting old countries 59
free trade in luxury products 59–60
and Mill 79, 81, 84, 93–5, 96–7, 99, 103

monopoly power and optimal tariff, mainstream interpretations 27, 66
monopoly power and tariff, alternative interpretation 67, 71

powers of production outgrowing field of employment 63–5, 68, 69

Prebisch and Singer on centre–periphery trade and investment pattern, stage set for discussion 13, 99–100

productivity theory of Smith 54–5, 57
rate of profits 49, 51–3, 57, 60
rate of profits, antagonistic determinants 51–3

rent, law of 72–3

Ricardo’s influence 51, 56
Smith’s influence 51, 54–6, 73–4

stagnation theory anticipated 65

stationary state 53

structural change spontaneous 58, 67, 109
tariffs against England’s manufactures 62, 65
technology export by England, restrictions 134
terms of international exchange 60–65
trade protection rejected 113
uneven accumulation and development 10, 49, 63–4, 71, 75
wages 51–2, 73, 75
wages that include manufactures 52, 73
Toye, J. 326
Toye, R. 326
Trade Policy and Economic Welfare 125
trade protection and restrictions, developed countries see commercial policy, in industrial centres
trade protection and restrictions, instruments
countervailing duties (CVD) 342
import duties see tariffs and trade taxes
quantitative restrictions (QRs) and controls 340
subsidies see subsidies, bounties or subventions
tariffs see tariffs and trade taxes
Trade-Related Aspects of Intellectual Property Rights (TRIPs), Agreement 8, 346, 348, 351, 352
and Singer 323
TRIPS-plus bilateral free trade agreements 351
trade-related capacity building (TRCB) 347–9
Trade-Related Investment Measures, Agreement 8, 346, 351, 352
transfer pricing 307
transnational corporations (TNCs) 240–41, 310–12, 322–3
TRCB see trade-related capacity building
Trend towards economic planning 261
Tribe, K. 182
triple alliance of Prebisch, Myrdal and Singer 250
Tucker, G.S.L. 46, 47
two-pronged case for free trade for England 10, 35–7, 49, 54, 79, 85–8, 335

U optimism or pessimism 301, 303
unequal exchange between countries, Manolesco 190–91
uneven accumulation 63–5
uneven development 3, 4, 5, 10, 11, 15, 24–5, 264–8, 335, 350, 352
arresting see development, developmentalist conceptualisation; industrialisation, means of promoting; industrialisation, rationales; technological capability cultivation
England’s superiority 24
United Nations 248, 351
United Nations Conference on Trade and Development (UNCTAD) 226, 254
United States of America (USA) see America, United States of
Uruguay Round 8, 16, 333, 340, 346, 347, 348, 351
SCM Agreement see Subsidies and Countervailing Measures, Agreement
TRIMs Agreement see Trade-Related Investment Measures, Agreement
TRIPS Agreement see Trade-Related Aspects of Intellectual Property Rights, Agreement
vicious circles 41, 224, 276, 285, 299
Viner, J. 25–6, 27, 38, 76, 111–12, 114, 128, 188, 248, 252, 265
virtuous circles 41, 338
Wade, R.H. 345, 346
wage
cost of labour 81
cost of production of wages 80–81, 101
integrated wage-goods sector 33
manufactured goods in wages 52, 73, 83, 84
as quantities of commodities 73
real wage 33
wage costs 33, 35
Wakefield, E.G. 20, 92–3, 94
Warner, A. 344
wealth
List’s power of producing 162
Singer’s capacity to create 301, 304
criticism by List see List, and ‘Smith’s school’
welfare economics, fundamental theorems 28
Whalley, J. 347
Williams, J.H. 24, 44, 99, 128
Winters, L.A. 347–8, 354–5
WIPO see World Intellectual Property Organization
Wolf, C. 19

World Intellectual Property Organization (WIPO) 351
maximalist approach 351
world trade congress proposal, List 181
World Trade Organization (WTO) 8, 181, 347, 352
WTO see World Trade Organization
Young, A. 41