



Panel

2.7. Agricultural exports and economic growth during the first wave of globalisation, 1850-1929. Part I

Panel organiser: Kuntz-Ficker, Sandra, El Colegio de Mexico, Mexico; Pinilla, Vicente, Universidad de Zaragoza, Spain

During the first wave of globalization (1850-1929), many countries participated in international trade mainly as exporters of primary products and importers of manufactured goods. The consequences of such participation have been the subject of much controversy in the economic literature over the past decades. Nowadays, the predominant although not exclusive view is that these countries had a favorable opportunity for economic development, at least from the middle of the nineteenth century up to the collapse of international trade following the 1929 crash. This opportunity consisted of developing an export sector that specialized in the production of primary products to supply the rapidly growing markets of the industrialized countries. The contribution of such specialization to their economic development varied greatly, depending on very diverse factors, with its overall effect being influenced by the relative importance of the export sector to the rest of the national economy. In this context, the purpose of this panel is to analyze cases of countries or groups of countries that fit into this typology.

Chair: Brassley, Paul, University of Exeter, UK

Monday 19.8.2013 // 1400 – 1530 // Session 2 – Room A 019

Paper

2.7.1. Tropical Agricultural Exports: Changing Agrarian Structures and Long-run Development

Byerlee, Derek, Independent scholar, Washington D.C., USA

A key determinant of the development outcomes of agricultural exports is the type of agrarian structure resulting from export agriculture. In the past, plantation agriculture, especially during the period of slavery, often had long-run devastating social and

economic impacts. This presentation will provide a long-term assessment since the first period of globalization to analyze changes in agrarian structures and long-run economic growth for a few key plantation commodities in the tropics, such as sugar, tea, rubber, bananas, and oil palm. Some of these industries, especially rubber and tea, were initiated through large plantation structures but have evolved into dynamic smallholder sectors. Others such as henequen in Mexico resulted in widespread displacement of indigenous groups, abuse of labor rights, and boom and bust cycles. Differences in development outcomes have emerged depending on commodity characteristics, initial conditions, and the institutional and political economy context in which the industry developed. I illustrate these through examples from SE Asia and Sri Lanka, with some examples from Central America and Africa.

2.7.2. Agriculture – the engine of growth in the Hungarian economy in the second half of the 19th century

Nagy, Mariann, University of Pécs, Hungary

This paper is focusing on the agrarian export sector of pre-1918 Hungary, when it belonged first to the Habsburg monarchy and between 1867 and 1918 to Austria-Hungary. The industrialization of western and central Europe from the 1830s onwards provided an expanding market for the Hungarian agricultural, timber, and food industry products. The timing of Hungary's integration into Europe's economic development - between 1850 and 1873 - was fortunate. Hungary was able to exploit these years of economic growth. Between 1840 and 1890, crop production in Hungary increased threefold. After 1867, one third of Hungarian grain production was exported, with flour exports representing a growing share. At the turn of the century, Hungary was the world's second-largest flour exporter - after the United States. Agricultural produce and food products accounted for 85 percent of exports. This explains why it was primarily agricultural interests that sought the construction of railways in the 1850s and 1860s. Agriculture became the engine of growth in the Hungarian economy in the second half of the 19th century, while industry caught up with it by the end of the 19th, beginning of the 20th century. During the Great Depression, Hungarian grain and flour were squeezed out of foreign markets. The effects of the agrarian crisis were partly offset by the fact that industrial goods - consumer goods in particular - suffered even greater price falls. Consequently, an industrial price gap developed in the markets of the Monarchy, and the terms of trade in international trade developed favorably for Hungary.

2.7.3. Agricultural exports and economic development in Spain during the first wave of globalization

Pinilla, Vicente, Universidad de Zaragoza, Spain

Ayuda, María Isabel, Universidad de Zaragoza, Spain

Between 1850 and 1935 Spanish exports of agricultural and food products increased dramatically. Following the phylloxera plague that ravaged French vineyards, Spain became the world's largest exporter of wine by volume. Alongside the export of fruits and vegetables, it grew at a remarkable pace until the late nineteenth century. However, from 1891 onwards wine exports faced tariff barriers and slow growth in consumption in the northern European countries and their new settlements, causing severe problems for this sector. Meanwhile, fruits and vegetables became the flagship products of Spanish exports. This inclusion of Spain in the first globalization as an exporter of agricultural products and food, while high tariffs sought to reserve the domestic market for burgeoning industrial production, had important consequences for the regions involved in such activity. The principal objective of the paper is to analyse the effects of both export booms on Spain as a whole, and on the areas most involved in them. To do this, we will first consider the evolution of exports of agricultural products and food and their composition, as well as the major determinants of this evolution. Secondly, we will attempt to estimate its main economic impacts.

Participants

Ayuda, María Isabel

Ph.D. in Economics, University of Zaragoza 1994. Associate Professor of Econometrics at the University of Zaragoza, Spain. Her research interests lie in econometric model selection and cliometrics. She is author of numerous papers in academic journals and book chapters on these issues. Recent publications include papers in *Ecological Economics*, *European Review of Economic History*, *Journal of Geographical Systems*, the *Annals of Regional Science*, *Applied Economics*, *Computational Statistics and Applied Economic Letters*. She has been visiting scholar at the University of Bristol, University of California at Davis and University of Maastricht.

Fellow at the University of Chicago, and the University of California at San Diego; Tinker Visiting Professor at Stanford University and at the University of Texas at Austin, and is currently a National Fellow in the Hoover Institution at Stanford University. Her research work deals with the economic history of Mexico from the mid nineteenth to the mid twentieth century, particularly with topics related to the economic impact of railroads, Mexico's foreign trade and commercial policy, and Mexico's economic development during the first globalization.

Byerlee, Derek

Independent scholar based in Washington, DC, USA. He is a Fellow of the American Association of Agricultural Economists and has published widely on the economics of agricultural development. More recently his interests have turned to agricultural economic history, with a particular focus on social and environmental outcomes of land expansion on the frontier during the first period of globalization, 1850-1929, both for settler and plantation agriculture.

Nagy, Mariann

Ph.D. in History, University of Debrecen, 2001. Associate professor in the Department of Modern History at the University of Pécs. His research interests lie in the regional structure of the economy in Austria-Hungary and the Nationalities in East-Central-Europe. He is author of several books and numerous papers in academic journals on these issues. He is member of the Committee for Agrarian History of Hungarian Academy of Sciences since 2003. He has been visiting scholar at Oxford University and the University of Zagreb.

Brassley, Paul

Senior Research Fellow in the University of Exeter, and a former chair of the British Agricultural History Society. His research interests lie in British agricultural history. He is author of several books and numerous papers in academic journals on these issues. He is co-editor of the book *War, Agriculture and Food Rural Europe from the 1930s to the 1950s* (Routledge, 2012).

Pinilla, Vicente

Ph.D. in Economics, University of Zaragoza 1990. Professor in Economic History at the University of Zaragoza, Spain. His research interests lie in international trade in agricultural products, Spanish agricultural production and migration. He is author of several books and numerous papers in academic journals on these issues. His latest book is *Peaceful Surrender. The depopulation of rural Spain in the twentieth century* (with F. Collantes) (2011). He held appointments at the University of Bristol, London School of Economics, University of California at Davis, University of Maastricht and Ecole des Hautes Etudes en Sciences Sociales, Paris.

Kuntz-Ficker, Sandra

Professor of Economic History at El Colegio de México. She has been Visiting Research