

〈九州産業大学・リール科学技術大学共同シンポジウム〉
「経済学, 異文化間企業経営とグローバリゼーション」

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報告

九州産業大学と学術交流を行っているフランスのリール科学技術大学は、平成14年3月26—27日の二日にわたり、フランスのリールで共同シンポジウム「経済学, 異文化間企業経営とグローバリゼーション」を開いた。

3月26日、商工会議所にて第1日目のシンポジウム「異文化経営とグローバリゼーション」が開催された。午前は磯村尚樹氏, 駐仏公使堀江正彦氏, UNESCOのMusitelli氏, European CommissionのVerrue氏がフランス語で国際化と日本, フランス, EUについて一般的な講演をされた。26日午後にはトヨタ, GE, 製薬会社等の産業界から国際化の戦略と経験について, また経営コンサルタント会社から国際化にかんするコンサルティング・プログラムについて, 2名の国際経営研究者による国際化と企業経営の問題点についての講演と質疑応答が行われた。

3月27日の二日目のシンポジウム「国際経済学とグローバリゼーション」はがらりと趣を変え, リール科学技術大学の経済社会学部において学会スタイルの学術的なシンポジウムであった。午前中はリール科学技術大学のFlorence Huart氏による国際マクロ経済学の論文と同大学Abdelkader Djeflat氏による経営社会学的な論文の発表であった。午後は九産大の吉田論文, 大谷論文, Gant大学のG. Rayp氏の論文, リール科学技術大学のEtienne Farvaque氏による小論文, ヴァンバール・アンド・ベリス法律事務所の亀岡悦子氏の報告と盛沢山であった。以下に論文題と簡単な要旨を紹介しておく。亀岡氏の発表以外はすべて論文が用意されていた。

Huart, Florence, Spillover Effects of Fiscal Policy in EMU: A Misconception behind the Stability Pact. 安定化政策としてEU加盟国が合意した財政的規制が妥当であるかどうかをマンデルーフレミング・モデルの枠組みで検討し, 財政的規制の合意に疑問を提示している。

Djeflat, Abdelkader, Buyer-Seller Relationships Between Developed and Developing Countries. 売り手と買い手のインタビュー調査によるデータを用いて相関分析を行い，売り手と買い手の意図の一致あるいは食い違いについて探るものである。

Yoshida, Yushi, Foreign Direct Investment and Exchange Rate Pass-through: Access to Foreign Markets. 為替変動の輸入国における輸入財価格への影響，すなわちパス・スルー (pass-through)，が輸出企業の海外直接投資の形態によってどのように変化するかという海外直接投資というグローバリゼーションの特定問題を理論的ならびに実証的に分析したものである。

Otani, Yoshihiko, Globalization, Convergence and Diversity: Economic Perspectives. グローバリゼーションを経済的視点より考察し，グローバリゼーションは一般にいわれる一様化への収束だけではなく，多様化をもたらすことを指摘する。そして多様化による保険効果の重要性を指摘する。

Rayp, G., et al, Wage and Employment Effects in the EU of International Trade with the Emerging Economies. 貿易が要素価格ならびに要素雇用量に及ぼす不均等な影響を実証的に計測している。そして硬直的賃金の下での雇用量への影響が顕著であることを見出している。

Farvaque, Etienne, Political Systems and Central Bank Independence. 中央銀行の独立性と政治的変数の関係を実証的に調べ，インフレ回避の性の強い（安定化指向の）社会はより大きな独立性を中央銀行に与えるという結論を得ている。

Kameoka, Etsuko, Competition and Globalization. EUの産業競争法の動向，とくに競争政策についてのEUと日本の協力関係，についての実務家の現状報告である。

以下に収録したのは九州産業大学より参加した大谷論文である。吉田論文も後日当誌に掲載する予定である。なお，この共同シンポジウムへの参加にあたり九州産業大学ならびにリール科学技術大学の関係者よりさまざまな形で支援を受けたことに，ここに深く謝意を表明したい。（大谷 順彦）

Globalization, Convergence and Diversity: Economic Perspectives

Yoshihiko Otani*

Faculty of Economics
Kyushu Sangyo University

[Abstract]

This paper presents economic perspectives on globalization. We first define economic globalization as an integrated economy and discuss the actual extent of economic globalization in the current economy. Then we shall clarify the exogenous sources of barriers to globalization. We divide globalization into the process of convergence and that of diversification. We point out that globalization would involve a never-ending cycle of both homogenization through convergence and diversification through creative innovations. We note that the diversity created by innovations serves as insurance to the economy and becomes a source of beneficial externalities and that the economic diversity is analogous to biodiversity. We shall end the paper with a few concluding remarks.

Keyword: globalization, convergence, diversity, innovation, natural selection

JEL Classification Numbers: D2, D4, F02, O03

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E-mail address: otani@ip.kyusan-u.ac.jp

1 . Introduction

This is to present economic perspectives on globalization. “Globalization” has nowadays become a catchy phrase. Yet the precise meaning is always left rather ambiguous. We shall first provide a more precise meaning of economic “globalization” and discuss the actual extent of economic globalization in the current world economy. Then we shall clarify the exogenous sources of barriers to globalization, i.e., regional or agent’s non-economic idiosyncrasies. We divide globalization into the process of convergence and that of creative innovations through intensified competition. We shall point out that the incessant innovative efforts of firms create endogenous idiosyncrasies to gain competitive edges. Creative innovations also lead to diversity in various aspects of an economy and the diversity created in the economy serves as insurance to the economy and becomes a source of beneficial externalities. Therefore globalization would involve a never-ending cycle of both homogenization through convergence and diversification through creative innovations. We shall end the paper with a few concluding remarks.

2 . Completely Integrated and Integrable World Economy

First we would like to describe “a completely integrated world economy” which is a totally globalized world economy. We classify goods into tradable goods and non-tradable goods. The free trade regime is a system with no barriers on tradable goods. Economics tells us that the free trade regime without market failures achieves allocative efficiency. But there is another powerful means of enhancing allocative efficiency. This is the international mobility of productive factors. But a productive factor such as land cannot be internationally mobile by its intrinsic nature. Thus we also classify productive factors into (interna-

tionally) mobile factors and immobile factors. The free trade of tradable goods internationally equalizes prices of tradable goods achieving allocative efficiency under the condition that factors do not move between countries. The free international mobility of mobile factors in addition to free trade internationally equalizes prices of tradable goods and mobile factors further improving allocative efficiency beyond free trade. It is known that prices of non-tradable goods and immobile factors may get internationally equalized through the equalization of prices of tradable goods and mobile factors, provided that immobile factors and non-tradable goods can be identified as physically identical, production technologies producing traded and non-traded goods are identical among countries and other technical conditions are satisfied. This is the state of “a completely integrated world economy”. (See Helpman and Krugman, 1985 and Krugman 1995 on a completely integrated economy.) Of course the world economy may possess various artificial or man-made barriers to international trade and international factor mobility. We may call the world economy “completely integrable” if it has the potential to become completely integrated by eliminating all artificial barriers.

3 . The Current Extent of Economic Globalization

It is often alleged particularly by non-economists that the world economy has undergone an unprecedented extent of globalization in the past two decades. But it may appear strange to non-economists that economists are indeed finding evidences contrary to the allegation of extensive globalization. Some of contrary evidences are as follows.

- (a) After the long stagnation of international trade and international capital flow after the World War I and under the Bretton Woods system, the world economy in 1990s has barely reached the level of globalization equivalent to the pre-World War I economy around

1914 as shown in Tables 1 and 2. (See Obstfeld, 1998 and Feenstra, 1998.)

Table 1: Size of Net Capital Flows (mean absolute value of current account as percentage of GDP)

| | U.S. | U.K. | Japan | France | Germany |
|-----------|------|------|-------|--------|---------|
| 1870-89 | 0.7 | 4.6 | 0.6 | 2.4 | 1.7 |
| 1890-1913 | 1.0 | 4.6 | 2.4 | 1.3 | 1.5 |
| 1914-18 | 4.1 | 3.1 | 6.8 | — | — |
| 1919-26 | 1.7 | 2.7 | 2.1 | 2.8 | 2.4 |
| 1960-73 | 0.5 | 0.8 | 1.0 | 0.6 | 1.0 |
| 1974-89 | 1.4 | 1.5 | 1.8 | 0.8 | 2.1 |
| 1990-96 | 1.0 | 2.0 | 2.2 | 0.7 | 1.9 |

Source: Obstfeld, M. (1998), p.12

Table 2: Percents of Merchandise Trade to GDP

| | 1913 | 1960 | 1990 |
|---------|------|------|------|
| U.S. | 6.1 | 3.4 | 8.0 |
| U.K. | 29.8 | 15.3 | 20.6 |
| Japan | 12.5 | 8.8 | 8.4 |
| France | 15.5 | 9.9 | 17.1 |
| Germany | 19.9 | 16.5 | 24.0 |

Source: Feenstra, R.C. (1998), p.33

- (b) Prices of tradable goods have not shown sufficient degree of convergence among countries as international price differentials of Big Mac hamburgers are often pointed out (Obstfeld and Rogoff, 1996, p. 203, Krugman and Obstfeld, 1997, pp.413-414 and Table 3).

Table 3: Price Differentials between Tokyo and Other Cities

| Comparison With Tokyo | (A). Purchasing Power ($P/P^* = ¥/x$) | | (B). Exchange Rate ($e = ¥/x$) | | Price Differentials (A)/(B) = P/eP^* | |
|-----------------------|--|------|-------------------------------------|-------|---|------|
| | 96 | 97 | 96 | 97 | 96 | 97 |
| New York | 145 | 143 | 108.8 | 121.0 | 1.33 | 1.18 |
| London | 217 | 213 | 169.9 | 198.2 | 1.28 | 1.08 |
| Paris | 25.2 | 25.5 | 21.3 | 20.7 | 1.19 | 1.23 |
| Berlin | 89.3 | 90.6 | 72.3 | 69.8 | 1.24 | 1.30 |

Source: EPA (1998)

(c) In spite of the advantage of international portfolio diversification, portfolio investors hold very high proportions of domestic equities as shown in Table 4. This is called the home bias puzzle. (See French and Poterba, 1991, Lewis, 1999 and Obstfeld and Rogoff, 1996, pp. 304-306.)

Table 4: Share of Domestic Equities in Total Equity Portfolio (1989)

| Countries | Percents |
|----------------|----------|
| United States | 92.2 |
| Japan | 95.7 |
| United Kingdom | 92.0 |
| France | 89.4 |
| Germany | 79.0 |

Source: French, K.R. and James M. Poterba (1991), p.222

In fact, economists working on economic globalization have been spending most efforts in trying to find causes and explanations on these curious evidences contrary to globalization.

4 . Exogenous (Non-Economic) Barriers to Economic Globalization

In view of various evidences contrary to extensive globalization, we

have to examine economic and social barriers to economic globalization. In this section we shall be concerned on barriers brought out by non-economic factors, i.e., economically exogenous barriers (or idiosyncrasies). We classify these into removable, non-removable, and gray-zone barriers.

- (d) Removable barriers. These include various taxes, labor standards, and environmental standards. The removal of these barriers would be politically difficult because of income distribution effects of globalization and rent seeking behaviors related to these barriers.
- (e) Non-removable barriers. These include geographic, historic-cultural idiosyncrasies that appear to be persistent explanatory factors on economic development (Parker, P., 2000 and Table 5).

Table 5: Language Groups, Income and Latitude (1994, US\$)

| Language Groups | Income per capita | Latitude |
|-----------------|-------------------|----------|
| Portuguese | 3,230 | 18 |
| Spanish | 5,260 | 23 |
| Japanese | 26,900 | 37 |
| Italian | 18,700 | 42 |
| English | 21,200 | 45 |
| French | 20,700 | 47 |
| German | 22,300 | 50 |

Source: Parker (2000), p.14

- (f) Gray-zone barriers. These include various aspects of business culture involving commercial norms, customs and legal jurisdictions. Explicit contracts and enforcement could be harmonized among countries. But many business transactions involve implicit arrangements and contracts embedded in cultural environment giving idiosyncrasies to nations.

(See Summers, 1999 and Rodrik, 2000 for discussion on these.)

5 . Globalization and Endogenous Idiosyncrasies

5 . 1 . Static Framework

In a completely integrated world economy, if immobile factors and non-traded goods can be identified as physically identical, production technologies producing traded and non-traded goods are identical among countries and some technical conditions are satisfied, prices of all productive factors may get internationally equalized between countries. The equalization of factor prices indicates the efficient utilization of productive factors. The equalization of prices of immobile productive factors indicates that through the international trade of tradable goods and the international mobility of mobile factors, even immobile productive factors are efficiently utilized as if they are internationally mobile. Therefore the economic globalization in the sense of a completely integrated economy indicates the allocative efficiency of all productive factors in the world economy. Notice that, in a completely integrated world equilibrium, cost differentials between countries disappear while countries still possess comparative advantages resulting from the presence of immobile factors of production. If a country has a unit cost of a good at the world equilibrium below unit costs of other countries, we may say that the country has “a pronounced competitive advantage” or “competitive advantage” on the good. Thus a completely integrated world economy in fact dissipates all pronounced competitive advantages while comparative advantages remain. Indeed the idea of a completely integrated economy is a very static outlook of an economy that holds only at a stationary state of an idealized economy.

We would like to note that even in a completely integrated economy, each country may be producing distinct products in an industry characterized by intra-industry trade in which scale economies and product differentiation prevail. In the case of intra-industry trade, free trade benefits

trading nations through specialization in a particular range of products with scale economies and through the availability of a wider variety of products for consumers. With the assumption of symmetric cost conditions among countries, the equalization of factor prices still obtains. (See Helpman and Krugman, 1985 and Krugman 1995.) Thus in the presence of intra-industry trade, the convergence of prices of tradable goods and mobile factors still entails the convergence of prices of immobile factors, while there is no convergence in the variety of products each country produces. Therefore even in a static framework, each country may retain its idiosyncrasy in the produced variety of an industry engaged in intra-industry trade.

5 . 2 . Dynamic Framework

In a dynamic real economy, firms engage in continuous struggle to innovate newer goods and newer technologies to gain pronounced competitive advantages. Through the diffusion of knowledge, these innovations will stimulate other firms to catch up and the competitive advantage of the original innovator will dissipate. The dissipation of the competitive advantage occurs through the process of convergence due to globalization. This dissipation of the older competitive advantages will push firms to further innovations to regain a newer competitive advantage. Moreover globalization would intensify competitive pressure for further innovations since each firm faces both domestic and foreign competitors. This is similar to the process of Schumpeterian creative destructions and innovations. Therefore globalization can be divided up into the process of convergence and that of creative innovations through intensified international competition. Seeking innovations means that firms are seeking endogenous idiosyncrasies. Endogenous idiosyncrasies provide firms pronounced competitive advantages and provide added productivity or new products to the economy.

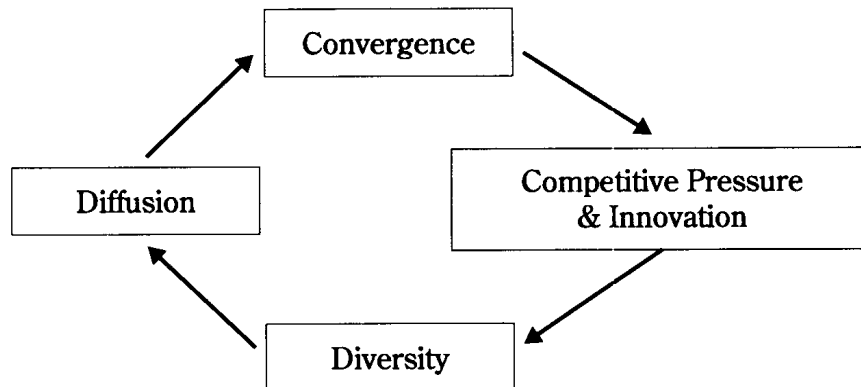


Figure 1: Globalization Cycle

Through the diffusion of knowledge, idiosyncrasies dissipate and economic convergence pushes further efficient utilization of productive factors in the world. Endogenous idiosyncrasies pave newer sources of productivity and new products and the following convergence spreads the benefit of new productivity and new products throughout the world. Therefore, as in Figure 1, globalization is a never-ending cycle of interacting processes in which endogenous idiosyncrasies or innovations are incessantly created and endogenous idiosyncrasies dissipate through the diffusion of information and economic convergence.

6 . Homogenization vs. Diversification

It is often claimed that globalization results in economic and social homogenization of various components in the society such as products, technology, social organizations among countries. It is frequently pointed out that American fast foods and pop culture are replacing traditional foods and culture as a consequence of globalization. But we would like to point out that globalization may also entail some diversifying consequences as well as homogenizing.

First as we have pointed out, there are exogenous barriers to globalization that are difficult or impossible to remove. Many of these barriers

involve historic-cultural and hence path-dependent idiosyncrasies. Economic decisions based on local idiosyncrasies would not be homogeneous, but necessarily diverse.

Next consider the case of a completely integrable world economy. Even in the static framework, the case of intra-industry trade points out that although prices of productive factors might converge, globalization would yield the diversification in produced varieties of products. In the dynamic framework, globalization brings in the convergence of prices of goods and productive factors. This is certainly a homogenizing consequence of globalization. But globalization also stimulates competition and creative innovations. Innovators endeavor to find different ways and thus innovations encourage diversity in various aspects of an economy such as the variety and quality of goods and technologies in production, distribution and marketing. Therefore even in a completely integrable world economy, globalization would have diversifying consequences.

From the perspective of comparative institutional study, Guillén (2001, p.13) makes a similar observation as follows.

“A comparative institutional perspective on development sees globalization as promoting diversity and renewal. The reason lies in that globalization increases mutual awareness, and mutual awareness is at least as likely to produce differentiation as it is to cause convergence.”

Note that what he calls ‘mutual awareness’ is nothing but disposition to compete.

7 . Innovations and Diversity

As we noted in the last section, innovations are efforts to create diversity. It is well recognized that innovations enhance productivity and/or create new products. Though not yet well recognized, innovations

also create diversity to the society simply because they are efforts to find something different. The diversity in an economy serves as insurance against external shocks. If an economy encounters external shocks, it has to find appropriate means to adjust to a newer environment. Unless the economy has sufficient diversity in information, knowledge, human resources, financial devices, etc., it will be unable to find appropriate means to cope with and adjust to a newer environment under external shocks. The diversity-creating aspect of innovations provides an increasing productivity effect through their insurance role serving as a source of beneficial externalities.

In fact the importance of socioeconomic diversity is very much analogous to the importance of biodiversity in ecology pointed out by Edward O. Wilson (1992, p.15) as follows.

“Biological diversity—‘biodiversity’ in the new parlance—is the key to the maintenance of the world as we know it. Life in a local site struck down by a passing storm springs back quickly because enough diversity still exists. Opportunistic species evolved for just such an occasion rush in to fill the space.”

The theoretical importance of biodiversity can be seen from Fisher’s fundamental theorem of natural selection which can be stated as follows:

“The rate of increase in the mean fitness of a population at any time is equal to its genetic variance in fitness at that time.”

[For the statement of the theorem, see Dobzhansky and et al. (1977, p. 32). Also see Frank (1998) and the Appendix for some models of natural selection and some derivations.] If we take the variance as an index of diversity, it can be interpreted as a theorem on diversity and we may use a similar economic model to find implications of diversity.

Perhaps the current economic conditions of the United States and Japan could be interpreted in this light: a higher degree of socioeconomic diversity in the U.S. providing one of strengths to her economy and a

lower degree in Japan one of weaknesses to our economy.

8 . Concluding Remarks

We have provided economic perspectives on globalization or economic integration. We first noted that the current world economy is far from the state of extensive globalization. The integration in the past two decades can be seen largely as the recovery of the well-integrated world economy around 1914. We have divided globalization into the process of convergence and that of creative innovations through intensified international competition. Creative innovations generate endogenous idiosyncrasies giving rise to newer sources of productivity and the following convergence spreads the benefit of new productivity throughout the world. Therefore the globalization process is never-ending since newer idiosyncrasies will be constantly created through innovations. We have focused our attention mostly to idiosyncrasies and diversity in globalization, but certainly there are other important issues on globalization. We shall point out three difficult issues in the following.

1. Although through the process of convergence, the benefit of endogenous idiosyncrasies (or innovations) spreads to other nations, it is only in terms of improved efficiency, not in terms of economic fairness. Since any economic change generally has an uneven consequence in income distribution as the Stolper-Samuelson effect (Krugman and Obstfeld, 1997, pp.70-71) indicates, globalization is no exception. Moreover much of the world' poverty and misery could be traced to failed, corruptive or repressive local regimes. We face the difficult dilemma on the possibility of the international community to enforce good institutions and policies at the local level.

2. International convergence necessary to spread improved efficiency requires the reduction of exogenous barriers to globalization. This

would involve the harmonization of taxes, labor standards, environmental standards and others. Lately the euro has been introduced fairly smoothly, but the prospects for the successful working of EMU (European Monetary Union) await the harmonization of taxes and various standards, greater economic policy coordination among member countries and the socio-economic transformation so that the mobility and flexibility in labor markets can be enhanced. The future of EMU would present an interesting test case for globalization.

3. In the area of international finance, the international coordination of policies will be necessary to combat instability and contagion caused by the fluctuations of asset values in globalized financial markets that in turn cause fluctuations of flow variables such as income and employment. As discussed by Summers (1999) and Rodrik (2000), we may face the economic integration trilemma among three goals of greater economic integration, proper public economic management, and national sovereignty in managing global integration and coordinating policies.

Appendix: The Price Equation and Fisher's Fundamental Theorem

Imagine a global population divided into a large number of groups. Let w and z respectively denote an index of fitness such as a reproductive rate and an index of a character such as a gene frequency. Group i is characterized by a pair (w_i, z_i) and we may consider (w, z) as a pair of random variables. The dynamics of natural selection is sometimes expressed as follows.

$$\Delta \bar{z}/\bar{z} = Cov(w/\bar{w}, z/\bar{z})$$

where $\bar{w} = E(w)$ and $\bar{z} = E(z)$. See Frank (1998, p.10.)

We may write the covariance as follows

$$Cov(w/\bar{w}, z/\bar{z}) = \rho V(w/\bar{w})^{1/2} V(z/\bar{z})^{1/2}$$

where ρ denotes the correlation between w/\bar{w} and z/\bar{z} and $V(x)$ denotes the variance of a random variable x . Thus if w and z are positively correlated, then the increase in the variances of w/\bar{w} and/or z/\bar{z} will increase the mean change in character. Since fitness itself is a character, we may identify the character by the fitness, i.e., $z=w$. Then we obtain

$$\Delta \bar{w}/\bar{w} = V(w/\bar{w})$$

which is Fisher's fundamental theorem of natural selection and the variance can be interpreted as the diversity of fitness.

We can further extend the above dynamics of natural selection to the so-called Price equation due to G.R. Price. See Frank (1998, pp. 13-18). To derive the Price equation, let q_i be the frequency or the probability weight of Group i . Suppose that there is a change from (z_i, q_i) to (z'_i, q'_i) . We shall assume that the new frequency of Group i is given as follows.

$$q'_i = q_i w_i / \bar{w}.$$

Then

$$\begin{aligned} \Delta \bar{z} &= \bar{z}' - \bar{z} = \sum_i (q'_i z'_i - q_i z_i) = \sum_i [q'_i (z_i + \Delta z_i) - q_i z_i] \\ &= \sum_i [q_i (w_i / \bar{w}) (z_i + \Delta z_i) - q_i z_i] = \sum_i q_i ((w_i / \bar{w}) - 1) z_i + \sum_i q_i (w_i / \bar{w}) \Delta z_i \\ &= Cov(w/\bar{w}, z) + E[(w/\bar{w}) \Delta z] \end{aligned}$$

Then the Price equation on natural selection can be obtained as

$$\Delta \bar{z}/\bar{z} = Cov(w/\bar{w}, z/\bar{z}) + E[(w/\bar{w}) (\Delta z/\bar{z})].$$

See Frank (1998, pp.13-14). The previous dynamics now becomes a special case when $E(w \Delta z) = 0$. The first covariance term in the Price equation captures the between-group interaction of the fitness and the character in a global population and the second term is a weighted mean of a within-group change in character. Thus the mean change in character is the sum of a system-wide interaction effect and a within-group change. The covariance in the Price equation can also be interpreted as the term reflecting the diversity of the global population.

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