

TANIEY

International Journal of Finance & Economics / Volume 8, Issue 3 / p. 189-204

Research Article

Capital account liberalization and financial globalization, 1890–1999: a synoptic view

Dennis P. Quinn 

First published: 07 July 2003

<https://doi.org/10.1002/ijfe.209>

Citations: 97

Abstract

An indicator of financial openness spanning the period 1890–1999 is used to evaluate policies towards the capital account of the balance of payments. Findings include that: financial globalization was deeper in 1890–1913 than subsequently; countries with liberal capital account policies recovered more quickly from the Great Depression than countries that restricted capital account transactions; the correlation between democracy and capital account openness was negative or zero during the gold standard era, in contrast to subsequent periods, when it has tended to be positive; and countries in geographic proximity to one another have tended to behave similarly in their policies towards the capital account. Copyright © 2003 John Wiley & Sons, Ltd.

REFERENCES



Balogh T. 1938. The national economy of Germany. *The Economic Journal* 48: 461–497.

 | [Web of Science®](#) | [Google Scholar](#) |

Blanchard O, Simon J. 2001. The long and large decline in US output volatility. *Brookings Papers on Economic Activity* 1: 135–174.

 | [Google Scholar](#) |

Bloomfield AI. 1946. Postwar control of international capital movements. *American Economic Review* 36: 687–709.

 | [Web of Science®](#) | [Google Scholar](#) |

Bloomfield AI. 1963. *Short-term capital movements under the pre-1913 gold standard*. Princeton Studies in International Finance. International Finance Section, Princeton University: Princeton, NJ.

[Google Scholar](#)

Brune N, Garrett G, Guisinger A, Sorens J. 2001. The political economy of capital account liberalization. Paper presented at the 2001 Annual Meeting of the American Political Science Association Convention, San Francisco.

[Google Scholar](#)

Cohen BJ. 1998. *The Geography of Money*. Cornell University Press: Ithaca, NY.

[Google Scholar](#)

Diaz-Alejandro C. 1985. Good-bye financial repression, hello financial crash. *Journal of Development Economics* 19: 1-24.

[Web of Science®](#) | [Google Scholar](#)

Edison HJ, Klein MJ, Ricci L, Sløk T. 2002. Capital account liberalization and economic performance: survey and synthesis. NBER Working Paper 9100.

[Google Scholar](#)

Eichengreen BJ. 1996. *Globalizing Capital: A History of the International Monetary System*. Princeton University Press: Princeton, NJ.

[Google Scholar](#)

Eichengreen BJ. 2001. Capital account liberalization: what do cross-country studies tell us? *World Bank Economic Review* 15: 341-365.

[Web of Science®](#) | [Google Scholar](#)

Eichengreen BJ, Sachs J. 1985. Exchange rates and economic recovery in the 1930s. *Journal of Economic History* 45: 925-946.

[Web of Science®](#) | [Google Scholar](#)

Einzig P. 1934. *Exchange Control*. Macmillan: London.

[Google Scholar](#)

Ellis HS. 1939. Exchange control in Austria and Hungary. *Quarterly Journal of Economics* 54: 1-185.

[Google Scholar](#)

Ellis HS. 1940. German exchange controls: from an emergency measure to a totalitarian institution. *Quarterly Journal of Economics* 54: 1-158.

[Google Scholar](#)

Friedrich RJ. 1982. In defense of multiplicative terms in multiple regression equations. *American Journal of Political Science* 26: 797-833.

[Web of Science®](#) | [Google Scholar](#)

Gurr RT, Jagers K. 2000. Polity IV Project. <http://www.bsos.umd.edu/cidcm/polity/>

[Google Scholar](#)

Hawtrey RG. 1947. *The Gold Standard in Theory and Practice*. Longmans, Green: New York.

[Google Scholar](#)

Hilferding R. 1981 [1910]. *Finance Capital: A Study of the Latest Phase of Capitalist Development*, T Bottomore (ed.) Trans. Watnick M, Gordon S. Routledge, Kegan, Paul: Boston.

[Google Scholar](#)

International Monetary Fund. *Annual Report on Exchange Restrictions*. IMF: Washington, DC. Various years, 1950-1978.

[Google Scholar](#)

International Monetary Fund. *Annual Report on Exchange Arrangements and Exchange Restrictions*. IMF: Washington, DC. Various years, 1979-2001.

[Google Scholar](#)

International Monetary Fund. 2001. International Financial Integration and Developing Countries. *World Economic Outlook*. October: 145-173.

[Google Scholar](#)

James H. 2001a. *The End of Globalization: Lessons from the Great Depression*. Harvard University Press: Cambridge, MA.

[Google Scholar](#)

James H. 2001b. *The Deutsche Bank and the Nazi Economic War against the Jews*. Cambridge University Press: Cambridge.

[Google Scholar](#)

Kopper C. 1995. *Zwischen Marktwirtschaft und Dirigismus. Bankenpolitik im 'Dritten Reich' 1933–1939*. Bouvier: Bonn.

[Google Scholar](#)

League of Nations. 1922. *Memorandum on Currency, 1913–1921*. A. Kundig: Geneva.

[Google Scholar](#)

League of Nations. 1923. *International Financial Conference, Brussels, 1920*. (Five volumes and attachments.) A. Kundig: Geneva.

[Google Scholar](#)

Maddison A. 1994. *Monitoring the World Economy 1820–1992*. OECD Development Center: Paris.

[Google Scholar](#)

Mitchell BR. 1980. *European Historical Statistics, 1750–1975*. Facts on File: New York.

[Google Scholar](#)

Mitchell BR. 1983. *International Historical Statistics: the Americas and Australasia*. Gale Research: Detroit.

[Google Scholar](#)

Mitchell BR. 1995. *International Historical Statistics: Africa, Asia, & Oceania, 1750–1988*. Stockton Press: New York.

[Google Scholar](#)

Obstfeld M, Taylor AM. 2002 Globalization and capital markets. NBER Working Paper 8846.

[Google Scholar](#)

Palyi M. 1972. *The Twilight of Gold, 1914–1936; Myths and Realities*. H. Regnery Co.: Chicago.

[Google Scholar](#)

Polanyi K. 1957 [1944]. *The Great Transformation: The Political and Economic Origins of Our Time*. Beacon Press: Boston.

[Google Scholar](#)

Polity IV. 2002. Polity IV Project: Political Regime Characteristics and Transitions, 1800– 2000. Available at <http://www.cidcm.umd.edu/inscr/polity/>

[Google Scholar](#)

Quinn DP. 1997. The correlates of change in international financial regulation. *American Political Science Review* 91: 531–551.

[Web of Science®](#) | [Google Scholar](#)

Quinn DP. 2000. Political and international financial liberalization. Paper presented at the Annual American Political Science Association Convention, Washington, DC.

[Google Scholar](#)

Quinn DP, Inclán C. 1997. The origins of financial openness: a study of current and capital account liberalization. *American Journal of Political Science* 41: 771–813.

[Web of Science®](#) | [Google Scholar](#)

Quinn DP, Woolley JT. 2000. Voters' preferences, institutional structures, and the determinants of economic growth volatility. Paper presented at the 2000 Annual Meeting of the American Political Science Association, Washington, DC.

[Google Scholar](#)

Quinn DP, Woolley JT. 2001. Democracy and national economic performance: the preference for stability. *American Journal of Political Science* 45: 634–657.

[Web of Science®](#) | [Google Scholar](#)

Quinn DP, Toyoda AM. 2002. Anti-Capitalist Sentiment as a Determinant of International Financial Liberalization. Paper presented at the 2002 Annual American Political Science Association Convention, Boston, MA.

[Google Scholar](#)

Quinn DP, Toyoda AM. 2003. Global Finance and Democracies: Searching for Health, Stability and Influence. Georgetown University (in press).

[Google Scholar](#)

Romer CD. 1989. The prewar business cycle reconsidered. *Journal of Political Economy* 97: 1–37.

[Web of Science®](#) | [Google Scholar](#)

Shannon HA. 1949. The British payments and exchange control system. *Quarterly Journal of Economics* 63: 212-237.

[Web of Science®](#) | [Google Scholar](#)

Simmons BA. 1994. *Who Adjusts?: The Domestic Sources of Foreign Economic Policy in the Interwar Years*. Princeton University Press: Princeton, NJ.

[Google Scholar](#)

Wade R. 1998. From 'miracle' to 'cronyism': explaining the Great Asian Slump. *Cambridge Journal of Economics* 22: 693-706.

[Web of Science®](#) | [Google Scholar](#)

Whittlesey CR. 1932. Exchange control. *American Economic Review* 22: 585-604.

[Web of Science®](#) | [Google Scholar](#)

Wolfe M. 1955. The development of Nazi monetary policies. *The Journal of Economic History* 15: 392-402.

[Web of Science®](#) | [Google Scholar](#)

Wunderlich F. 1938. Germany's defense economy and the decay of capitalism. *Quarterly Journal of Economics* 52: 401-430.

[Web of Science®](#) | [Google Scholar](#)

Citing Literature



[Download PDF](#)

ABOUT WILEY ONLINE LIBRARY

[Privacy Policy](#)

[Terms of Use](#)

[About Cookies](#)

[Manage Cookies](#)

[Accessibility](#)

[Wiley Research DE&I Statement and Publishing Policies](#)

[Developing World Access](#)

HELP & SUPPORT

[Contact Us](#)
[Training and Support](#)
[DMCA & Reporting Piracy](#)

OPPORTUNITIES

[Subscription Agents](#)
[Advertisers & Corporate Partners](#)

CONNECT WITH WILEY

[The Wiley Network](#)
[Wiley Press Room](#)

Copyright © 1999-2024 John Wiley & Sons, Inc or related companies. All rights reserved, including rights for text and data mining and training of artificial intelligence technologies or similar technologies.

WILEY