Advertisement

International Journal of Finance & Economics / Volume 8, Issue 3 / pp. 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

PDF

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

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

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

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

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, Jaggers 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

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

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

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

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

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

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

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences

Accept All

Reject Non-Essential

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

HELP & SUPPORT

Contact Us
Training and Support
DMCA & Reporting Piracy
Sitemap

OPPORTUNITIES

Subscription Agents
Advertisers & Corporate Partners

CONNECT WITH WILEY

The Wiley Network
Wiley Press Room

Copyright © 1999-2026 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.

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. Privacy Policy

Manage Preferences
Accept All
Reject Non-Essential