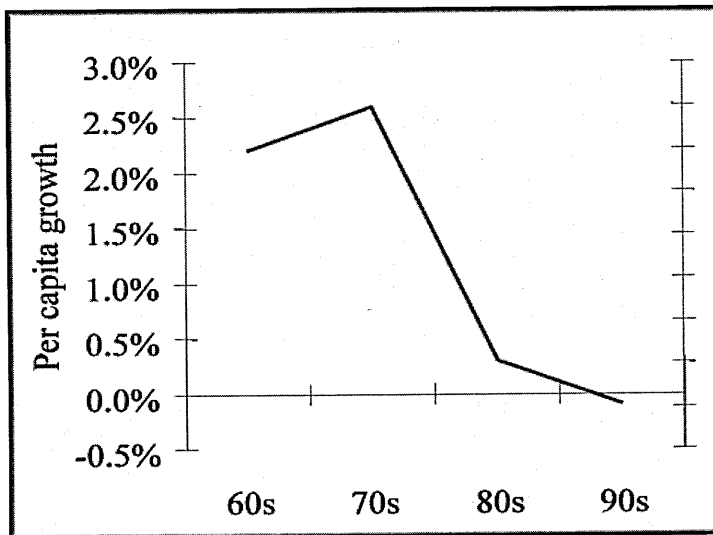


latter part of the period when per capita GDP growth in the developing countries plunged (see Figure 1). At the same time, it cannot be ignored that East Asia in particular continued to add entrants in the latter part of the period as its “miracle” unfolded.

Figure 1. Per Capita GDP Growth, Developing Countries, 1960s – 1990s



Source: William Easterly, 2003

The pattern in the data

The interesting pattern that emerges from these data is the asymmetry between the two periods. In the 19th Century globalization wave, there was a steep gain in entrants in the second half of the period, sometimes attributed to technological progress. In the 20th Century wave, there was a steep loss of members in the second half of period, despite the fact that technological progress steepened if anything. This is anomalous and that makes it interesting. Anomalies should be respected: for they often point to important knowledge.

Since there are as many stories as there are countries, any systemic influence that could account for the asymmetry must be presumed to be one of many factors. Its role would pre-