

Development Centre Studies

The World Economy

A MILLENNIAL PERSPECTIVE



OECD 

ANGUS MADDISON

Development Centre Seminars

**THE WORLD ECONOMY:
A MILLENNIAL PERSPECTIVE**

by

Angus Maddison

DEVELOPMENT CENTRE OF THE ORGANISATION
FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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Foreword

Shortly after my arrival at the OECD in 1996, I came upon the study by Angus Maddison “Monitoring the World Economy 1820–1992”. It is a fascinating and stimulating work providing a complete coverage of the world economy during the period in question. It brought together data of some 56 countries accounting for 93 per cent of the world output and 87 per cent of the world population and world exports. It never left my desk. Probably I was not alone in my appreciation of this quite extraordinary work, as I kept coming on references to it in the work of other authors.

As we were nearing the end of the twentieth century, it seemed to me that this study could undergo some slight revisions to make it more attractive to general readership, and brought up to the close of the century and of the second millennium. I discussed the project with Professor Maddison and, to my delight, he agreed.

From his enormous energy and intellectual capacity emerges a far greater work in depth and scope than anything I had imagined possible. This book covers the development of the entire world economy over the past two thousand years. The author takes a (quite literally) global view of world growth over that period, examining both changes over time and between different regions. The book has a wider ambit than any previous OECD publication or, indeed, than almost any other publication in the market worldwide. First, the scope of the analysis is breath-taking. Second, there must be few (if any) economic history books so wide in their reach, in terms of both geography and history. Third, although his approach is economic, it is not narrowly so and draws on many other subjects — history, geography, demography and more — on the path to its conclusions; this multidisciplinary sweep gives the book great value.

Because of its value and its global reach, I am sure it will find a global readership, as an authoritative reference for academics, students, professionals and general readership.

I predict it will find its place in homes, offices and libraries in every corner of the world, and for many years to come. It will undoubtedly be the foundation for further works of this kind during the millennium we have just entered.

We should all be extremely grateful to Angus Maddison for having taken on this challenge with results which far exceed my original expectations.

John Maynard Keynes wrote that the master economist should “examine the present in light of the past, for the purposes of the future”. Never before have we had such a rich resource at our disposal to pursue that objective.



Donald Johnston
OECD Secretary-General

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I am particularly indebted to my friend and mentor Moses Abramovitz (1912–2000), for his encouragement, wisdom and generosity in commenting on this manuscript and many others over the past 40 years.

I benefited from discussions that followed the 1998 Kuznets Memorial Lectures which I gave at Yale University, and from comments on presentations on this theme at the Academy of Social Sciences in Australia, the Brazil Forum in Porto Alegre, seminars at the Academia Sinica, Hitotsubashi University, Keio University at Fujisawa, Osaka University and Osaka Gakuin University. I remembered a lot that I learned from a three month stay at the Università Ca' Foscari in Venice in 1990.

I received useful comments on different drafts from Bart van Ark, Ian Castles, François Couzet, Charles Feinstein, Colm Foy, David Henderson, Paolo Malanima, Jim Oeppen, Osamu Saito, Graeme Snooks, Victor Urquidi and Sir Tony Wrigley.

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My biggest debts are to my wife, Penelope Maddison, for continuous encouragement, sustained moral and material support.

Preface

Angus Maddison visited Nova University at Lisbon in 1986 and that is where we first met. I already knew of his work, since my late father, himself an economic historian, had mentioned its importance to me many years previously. It was therefore with some nostalgia that, as newly appointed President of the Development Centre, I found myself involved with Angus on a regular basis.

The Development Centre's association with Angus Maddison is a very long one. He was present at the birth of the Development Centre, influenced its evolution and the character of its research. In many ways, the Centre is indissociable from him. This is one reason why the writing of this extraordinary history of the world economy should have been entrusted to him. In addition, Angus is possibly the greatest living *chiffrephile*, as demonstrated by his earlier work for the Centre, most notably: *The World Economy 1820–1992* and *Chinese Economic Performance in the Long Run*, both of which have become works of reference in quantitative economic history the world over.

The Development Centre is preoccupied with the place of governance in the new world order. Our research effort is directed towards helping countries to find ways of reforming governance systems at every level of society. This is also a constant theme in this book. Throughout the thousand years under consideration, governance can be seen as a factor which either advantaged or disadvantaged growth. We therefore remain convinced that this is a vital issue confronting developing societies today. We are also persuaded that OECD countries have themselves a responsibility to implement good governance and to encourage it elsewhere.

Jorge Braga de Macedo
President
OECD Development Centre

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Table of Contents

Foreword	3
Acknowledgements	13
Preface	15
Summary and Conclusions	17
Chapter 1 The Contours of World Development	27
Chapter 2 The Impact of Western Development on the Rest of the World, 1000–1950	49
Chapter 3 The World Economy in the Second Half of the Twentieth Century	125
Appendix A World Population, GDP and GDP Per Capita, Benchmark Years, 1820–1998	169
Appendix B World Population, GDP and GDP Per Capita Before 1820	229
Appendix C Annual Estimates of Population, GDP and GDP Per Capita for 124 Countries, Seven Regions and the World 1950–98	267
Appendix D Growth and Levels of Performance in 27 Formerly Communist Countries, 1990–98	335
Appendix E Employment, Working Hours, and Labour Productivity	343
Appendix F Value and Volume of Exports, 1870–1998	357
Bibliography	365

Text Tables

Table 1–1 Level and Rate of Growth of Population: World and Major Regions, 0–1998 A.D.	28
Table 1–2 Level and Rate of Growth of GDP Per Capita, World and Major Regions, 0–1998 A.D.	28
Table 1–3 Level and Rate of Growth of GDP: World and Major Regions, 0–1998 A.D.	28
Table 1–4 Life Expectation and Infant Mortality, Both Sexes Combined, 33–1875 A.D.	29
Table 1–5a Birth Rates and Life Expectation, 1820–1998/99	30
Table 1–5b Average Life Expectation for Groups A and B, 1000–1999	31
Table 1–5c Rate of Growth of Life Expectation in Groups A and B, 1000–1999	31
Table 1–6a West European Population Levels, 0–1998 A.D.	32
Table 1–6b West European Population Growth Rates, 0–1998 A.D.	32
Table 1–7a Population Growth: Western and Iberian Offshoots in Comparative Perspective, 1500–1998	35

Table 1–7b	Comparative Population Growth in the Americas and Former European Metropolises, 1500–1998	35
Table 1–7c	Shipment of African Slaves to the Americas, 1500–1870	35
Table 1–7d	Net Migration to Brazil, Australia and the United States, and from the United Kingdom, 1500–1998	35
Table 1–8a	Comparative Population Growth: Japan, China and Western Europe, 0–1998 A.D.	40
Table 1–8b	Population Growth Rates: Japan, China and Western Europe, 0–1998 A.D.	40
Table 1–8c	Urbanisation Ratios: Japan, China and Western Europe, 1000–1890	40
Table 1–9a	Growth of Per Capita GDP by Major Region, 1000–1998	46
Table 1–9b	Level of Per Capita GDP: Groups A and B, 1000–1998	46
Table 1–9c	Population of Groups A and B, 1000–1998	46
Table 1–9d	GDP of Groups A and B, 1000–1998	46
Table 2–1	Population of the Venetian Empire in 1557	53
Table 2–2	Size and Carrying Capacity of Venetian Merchant Galleys, 1318–1559	54
Table 2–3	Population of 31 Biggest West European Cities, 1500–1800	54
Table 2–4	Sugar Production by Area of Origin, 1456–1894	58
Table 2–5	Atlantic Slave Shipments by Portugal and Its Competitors, 1701–1800	58
Table 2–6	Number of Ships Sailing to Asia from Seven European Countries, 1500–1800	63
Table 2–7	Movement of Portuguese Ships to and from Asia, 1500–1800	64
Table 2–8	Gold and Silver Shipments from the Americas to Europe	64
Table 2–9	Chinese Imports of Silver by Country of Origin, 1550–1700	64
Table 2–10	Exports of Silver and Gold from Western Europe, 1601–1780	65
Table 2–11	Chinese Naval Diplomacy: Voyages to the “Western Oceans”, 1405–33	67
Table 2–12	Exchange Rates between Ming Paper Currency and Silver, 1376–1426	68
Table 2–13	Commodity Composition of Brazilian Exports, 1821–1951	72
Table 2–14	Confrontation of Brazilian and US Economic Performance in the Five Major Phases of Brazilian Development, 1500–1998	74
Table 2–15	Carrying Capacity of Dutch and Other Merchant Fleets, 1470–1824	77
Table 2–16	Dutch Merchant Ships by Area of Operation Around 1670	77
Table 2–17	Employment in Dutch Shipping by Area of Operation, 1610–1770	77
Table 2–18a	Dutch Involvement in European Military Conflicts, 1560s–1815	81
Table 2–18b	Size of European Armies, 1470–1814	81
Table 2–19	Dutch Commodity Trade, 1650 to 1770s	81
Table 2–20	Commodity Composition of European Exports from Asia to Europe, 1513–1780	84
Table 2–21a	The Dutch “Drain” on Indonesia, 1698–1930	87
Table 2–21b	The British “Drain” on India, 1868–1930	87
Table 2–21c	Growth of Indonesian Population and Real Income by Ethnic Group, 1700–1929	87
Table 2–22a	Levels of GDP Per Capita in European Colonial Powers and Former Colonies, 1500–1998	90

Table 2–22b	Growth of Per Capita GDP in European Colonial Powers and Former Colonies, 1500–1998	90
Table 2–23	Structure of British Commodity Trade by Origin and Destination, 1710–1996	93
Table 2–24	Structure of Employment in the Netherlands, the United Kingdom and the United States, 1700–1998	95
Table 2–25a	Carrying Capacity of British and World Shipping, 1470–1913	95
Table 2–25b	Comparative Rates of Growth of British and World Shipping Capacity and GDP, 1570–1913	95
Table 2–26a	Gross Nominal Value of Capital Invested Abroad in 1914	99
Table 2–26b	Gross Nominal Value of Capital Invested Abroad in 1938	99
Table 2–27	Gross Nominal Value of Foreign Capital Invested in Nine Major Recipient Countries, 1913	99
Table 2–28	Population of British Colonies and Former Colonies in the Americas, 1750 and 1830	105
Box 2–1	Social Structure of India in the Moghul Empire	110
Box 2–2	Indian Social Structure at the End of British Rule	111
Table 2–29	Population of British Territories in Asia, Africa, Australia and Europe in 1830	112
Table 2–30	Comparative Macroeconomic Performance of India and Britain, 1600–1947	112
Table 3–1a	Growth of Per Capita GDP, Population and GDP: World and Major Regions, 1000–1998	126
Table 3–1b	Levels of Per Capita GDP and Interregional Spreads, 1000–1998	126
Table 3–1c	Shares of World GDP, 1000–1998	127
Table 3–2a	Growth in Volume of Merchandise Exports, World and Major Regions, 1870–1998	127
Table 3–2b	Merchandise Exports as Per Cent of GDP in 1990 Prices, World and Major Regions, 1870–1998	127
Table 3–2c	Regional Percentage Shares of World Exports, 1870–1998	127
Table 3–3	Gross Value of Foreign Capital Stock in Developing Countries, 1870–1998	128
Table 3–4	Net Migration: Western Europe, Japan and Western Offshoots, 1870–1998	128
Table 3–5	Per Capita GDP Performance in the Three Most Successful Phases of the Capitalist Epoch ...	129
Table 3–6	Economic Characteristics of the 20 Biggest Countries, 1998	130
Table 3–7	Western Europe and USA: Degree of Productivity and Per Capita GDP Convergence, 1950–98	132
Table 3–8	Experience of Unemployment and Inflation in Advanced Capitalist Countries, 1950–98	134
Table 3–9	Total Government Expenditure as Per Cent of GDP at Current Prices, Western Europe, the United States and Japan, 1913–1999	135
Table 3–10	Stock of Foreign Assets and Liabilities, the United States, Japan, Germany and the United Kingdom, 1989–98	137
Table 3–11	Growth in Volume of Merchandise Imports and Ratio of Imports to GDP, Western Europe, Japan and the United States, 1950–98	137
Box 3–1	Impact of Recent Revisions on Measurement of Level and Growth of US GDP, 1929–98	138
Table 3–12	Indices of Share Prices in National Currencies, Japan, USA and Western Europe, 1950–99	141

Table 3–13	Exchange Rates: Units of National Currency per US Dollar, Japan and Western Europe, 1950–99	141
Table 3–14	Variations in Per Capita Growth Momentum: Resurgent Asia in Comparative Perspective, 1913–99	143
Table 3–15	Characteristics of Growth Performance in Resurgent Asia, 1950–99	146
Table 3–16	Stock of Foreign Direct Investment, Total and Per Capita, Major Countries, Regions and World, 1998	147
Table 3–17	Annual Percentage Change in Real GDP Per Capita, Japan and Resurgent Asia, 1997–99	148
Table 3–18	Exchange Rates: Units of National Currency per US Dollar in Asian Countries, 1973–99	148
Table 3–19	Pre and Post Crisis Savings as Per Cent of GDP in Five East Asian Countries, 1990–98	149
Table 3–20	Per Capita GDP Performance in Six Problem Economies of East Asia, 1950–98	149
Table 3–21	World Production of Crude Oil and Natural Gas, 1950–99	150
Table 3–22	Latin American Economic Performance, 1870–1999	153
Table 3–23	Per Capita Growth Performance in Former USSR and Eastern Europe, 1950–98	156
Table 3–24	Changes in Production and Consumption in Belarus, Russia and Ukraine, 1990–98	157
Table 3–25	Per Cent of Population in Poverty in Former USSR and Eastern Europe, 1987–88 and 1993–95	157
Table 3–26	Annual Average Rate of Change in Consumer Prices: Former USSR and Eastern Europe, 1990–98	158
Table 3–27	Illiteracy Rates in Africa in 1997	163
Table 3–28	Variations of Income Level Within Africa, 1998	164
Table 3–29	Degree and Duration of Per Capita Income Collapse in 13 Biggest African Countries South of the Sahara	165
Table 3–30	Total External Debt of Africa, Asia, Latin America, Eastern Europe and former USSR, 1980, 1990 and 1998	166
Table 3–31	Arrears on External Debt in Africa and Other Continents, 1980–98	166
Figure 1–1	Population of Western Europe: Confrontation of Two Millennia	32
Figure 1–2	Annual Movement in Swedish Birth and Death Rates, 1736–1987	33
Figure 1–3	Comparative Population Levels in the Three Biggest Countries of the Americas and their Former European Metropolises, 1500–1998	36
Figure 1–4	Comparative Levels of GDP Per Capita: China and West Europe, 400–1998 A.D.	42
Figure 1–5	Comparative Levels of GDP Per Capita: China and the United Kingdom, 1700–1998	43
Figure 1–6	Comparative Levels of GDP Per Capita: China and the United States, 1700–1998	43
Figure 3–1	Binary Confrontation of US/Japan, US/European Per Capita GDP Levels, 1950–98	133
Figure 3–2a	Binary Confrontation of Japan/East Asian Per Capita GDP Levels, 1950–99	144
Figure 3–2b	Binary Confrontation of Japan/East Asian Per Capita GDP Levels, 1950–99	145
Figure 3–3	Binary Confrontation of US/Latin American Per Capita GDP Levels, 1950–98	152
Figure 3–4	Binary Confrontation of US/African Per Capita GDP Levels, 1950–98	162

Appendix Tables

Table A-a	Coverage of the GDP Sample and the Proportionate Role of Proxy Measures, 1820–1998	173
Table A-b	Nature of the PPP Converters Used to Estimate Levels of GDP in “International” Dollars for the Benchmark Year 1990	174
Table A-b	Nature of the PPP Converters Used in Maddison (1995a)	174
Table A-c	Confrontation of Maddison (1995a) and Present Estimates of Regional and World Population and GDP, 1820–1990	175
Table A-d	The Impact of Border Changes in Germany, 1820–1998	178
Table A-e	Population and GDP: 13 Small West European Countries, 1950–98	179
Table A-f	GDP and Population in the Successor Republics of Former Yugoslavia, 1990–98	181
Table A1-a	Population of European Countries, the Former USSR and Western Offshoots, Benchmark Years 1820–1998	183
Table A1-b	GDP Levels: European Countries, the Former USSR and Western Offshoots, Benchmark Years 1820–1998	184
Table A1-c	Levels of GDP Per Capita in European Countries, the Former USSR and Western Offshoots, Benchmark Years 1820–1998	185
Table A1-d	GDP Per Capita Growth Rates in European Countries, the Former USSR and Western Offshoots in Five Phases of Development, 1820–1998	186
Table A1-e	GDP Growth Rates in European Countries, the Former USSR and Western Offshoots in Five Phases of Development, 1820–1998	187
Table A1-f	Population Growth Rates in European Countries, Former USSR and Western Offshoots in Five Phases of Development, 1820–1998	188
Table A1-g	Derivation of 1990 Benchmark Levels of GDP in “International” Dollars: 22 OECD Countries	189
Table A1-h	Derivation of 1990 Benchmark Levels of GDP in “International” Dollars: Five East European Countries and the USSR	190
Table A-g	GDP and Population in 21 Small Caribbean Countries, 1950–98	192
Table A2-a	Population of 44 Latin American Countries, Benchmark Years, 1820–1998	193
Table A2-b	GDP Levels in 44 Latin American Countries, Benchmark Years, 1820–1998	194
Table A2-c	Levels of GDP Per Capita in 44 Latin American Countries, Benchmark Years, 1820–1998	195
Table A2-d	GDP Per Capita Growth Rates in 44 Latin American Countries, in Five Phases of Development 1820–1998	196
Table A2-e	GDP Growth Rates in 44 Latin American Countries, in Five Phases of Development, 1820–1998	197
Table A2-f	Population Growth Rates in 44 Latin American Countries, in Five Phases of Development, 1820–1998	198
Table A2-g	Derivation of 1990 Benchmark Levels of GDP in “International” Dollars: 18 Latin American Countries	199
Table A-h	India: GDP, Population and Per Capita GDP, Annual Estimates, 1820–1998	203

Table A-i	Reconstitution of Japanese GDP by Industry of Origin, 1874–90	205
Table A-j	Japan: GDP, Population and Per Capita GDP, Annual Estimates, 1820–1998	206
Table A-k	Population and GDP in 19 Small East Asian Countries, 1950–98	209
Table A-l	Arab and Jewish Population and GDP in Palestine and Israel, 1922–50	211
Table A-m	Proxy Entries to Fill Holes in GDP and GDP Per Capita Dataset for 1870 and 1913	212
Table A3-a	Population of 56 Asian Countries, Benchmark Years, 1820–1998	213
Table A3-b	GDP Levels in 56 Asian Countries, Benchmark Years 1820–1998	214
Table A3-c	GDP Per Capita in 56 Asian Countries, Benchmark Years, 1820–1998	215
Table A3-d	GDP Per Capita Growth Rates in 56 Asian Countries, in Five Phases of Development, 1820–1998	216
Table A3-e	GDP Growth Rates in 56 Asian Countries, in Five Phases of Development, 1820–1998	217
Table A3-f	Population Growth Rates in 56 Asian Countries, in Five Phases of Development, 1820–1998	218
Table A3-g	Derivation of 1990 Benchmark Levels of GDP in International Dollars for 15 East Asian Countries	219
Table A3-h	Derivation of 1990 Benchmark Levels of GDP in International Dollars for Five East Asian Countries	220
Table A3-i	Derivation of 1990 Benchmark Levels of GDP in International Dollars for Three West Asian Countries	220
Table A4-a	Population of 57 African Countries, Benchmark Years, 1820–1998	222
Table A4-b	GDP Levels in 57 African Countries, Benchmark Years, 1820–1998	223
Table A4-c	GDP Per Capita in 57 African Countries, Benchmark Years, 1820–1998	224
Table A4-d	GDP Per Capita Growth Rates in 57 African Countries, in Five Phases of Development, 1820–1998	225
Table A4-e	GDP Growth Rates in 57 African Countries, in Five Phases of Development, 1820–1998 ...	226
Table A4-f	Population Growth Rates in 57 African Countries, in Five Phases of Development, 1820–1998	227
Table A4-g	Alternative Estimates of 1990 GDP Level by ICP and PWT in 24 African Countries	228
Table B-1	Alternative Estimates of the Regional Components of World Population, 0–1700 A.D.	231
Table B-2	Population of Western and Eastern Europe and Western Offshoots, 0–1820 A.D.	232
Table B-3	European and Asian Population of Russia, 0–1870 A.D.	232
Table B-4	Ethnic Composition of Brazilian Population, 1500–1870	235
Table B-5	Alternative Estimates of Latin American Population, 0–1820 A.D.	235
Table B-6	Alternative Estimates of Indian Population, 0–1820 A.D.	236
Table B-7	Alternative Estimates of Japanese Population, 0–1820 A.D.	237
Table B-8	Population of Asia, 0–1820 A.D.	238
Table B-9a	Alternative Estimates of African Population, 0–1950 A.D.	239
Table B-9b	Regional Distribution of African Population, 0–1820 A.D.	239

Table B–10	World Population, 20 Countries and Regional Totals, 0–1998 A.D.	241
Table B–11	Rates of Growth of World Population, 20 Countries and Regional Totals, 0–1998 A.D.	242
Table B–12	Shares of World Population, 20 Countries and Regional Totals, 0–1998 A.D.	243
Table B–13	Regional Components of British GDP, Population and GDP Per Capita, 1500–1920	247
Table B–14	Urbanisation Ratios in Europe and Asia, 1500–1890	248
Table B–15	Ethnic Composition of US Population, 1700–1820	250
Table B–16	Ethnic Composition of Latin American Population in 1820	250
Table B–17	Japanese Cereal Production and Per Capita Availability, 1600–1874	255
Table B–18	World GDP, 20 Countries and Regional Totals, 0–1998 A.D.	261
Table B–19	Rates of Growth of World GDP, 20 Countries and Regional Totals, 0–1998 A.D.	262
Table B–20	Shares of World GDP, 20 Countries and Regional Totals, 0–1998 A.D.	263
Table B–21	World GDP Per Capita, 20 Countries and Regional Totals, 0–1998 A.D.	264
Table B–22	Rates of Growth of World GDP Per Capita, 20 Countries and Regional Totals, 0–1998 A.D. ...	265
Table C1–a	Population of European Countries, Former USSR and Western Offshoots, Annual Estimates, 1950–98	268
Table C1–b	Levels of GDP in European Countries, Former USSR and Western Offshoots, Annual Estimates, 1950–98	272
Table C1–c	Levels of Per Capita GDP in European Countries, Former USSR and Western Offshoots, Annual Estimates, 1950–98	276
Table C2–a	Population of Latin American Countries, Annual Estimates, 1950–98	280
Table C2–b	Levels of GDP in Latin American Countries, Annual Estimates, 1950–98	284
Table C2–c	Levels of Per Capita GDP in Latin American Countries, Annual Estimates, 1950–98	288
Table C3–a	Population of Asian Countries, Annual Estimates, 1950–98	292
Table C3–b	Levels of GDP in Asian Countries, Annual Estimates, 1950–98	298
Table C3–c	Levels of Per Capita GDP in Asian Countries, Annual Estimates, 1950–98	304
Table C4–a	Population in 57 African Countries, Annual Estimates, 1950–98	310
Table C4–b	Levels of GDP in 57 African Countries, Annual Estimates, 1950–98	316
Table C4–c	Levels of Per Capita GDP in 57 African Countries, Annual Estimates, 1950–98	322
Table C5–a	World Population by Regions, Annual Estimates, 1950–98	328
Table C5–b	World GDP by Regions, Annual Estimates, 1950–98	329
Table C5–c	World Per Capita GDP by Regions, Annual Estimates, 1950–98	330
Table C6–a	Year to Year Percentage Change in World Population, by Regions 1950–98	331
Table C6–b	Year to Year Percentage Change in World GDP Volume, by Regions 1950–98	332
Table C6–c	Year to Year Percentage Change in World Per Capita GDP, by Regions 1950–98	333
Table D–1a	GDP in East European Countries, 1990–99	337
Table D–1b	Population in East European Countries, 1990–99	337
Table D–1c	GDP Per Capita in East European Countries, 1990–99	337

Table D–2a	GDP in Successor Republics of Former Yugoslavia 1990–98	338
Table D–2b	Population in Successor Republics of Former Yugoslavia, 1990–99	338
Table D–2c	GDP Per Capita in Successor Republics of Former Yugoslavia, 1990–98	338
Table D–3a	GDP In Successor States of Former USSR, 1990–98	339
Table D–3b	Population in Successor States of Former USSR, 1990–98	340
Table D–3c	GDP Per Capita in Successor States of Former USSR, 1990–98	341
Table D–4	Confrontation of OECD and Maddison Estimates of 1990 Real GDP Levels in 15 Successor States of the Former Soviet Union	342
Table E–1	Total Employment in Europe, Japan and Western Offshoots, 1870–1998	345
Table E–2	Total Employment in Latin America and Asia, 1950–98	346
Table E–3	Annual Hours Worked Per Person Employed, 1870–1998	347
Table E–4	Total Hours Worked, 1870–1998	348
Table E–5	GDP Per Person Employed in Europe, Japan and Western Offshoots, 1870–1998	349
Table E–6	GDP Per Person Employed in Latin America and Asia, 1950–98	350
Table E–7	Labour Productivity (GDP Per Hour Worked), 1870–1998	351
Table E–8	Rate of Growth of GDP Per Hour Worked, 1870–1998	352
Table E–9	Levels of GDP Per Hour Worked, 1870–1998	353
Table E–10	Annual Hours of Work Per Head of Population, 1870–1998	354
Table E–11	Employment in Europe, Japan and Western Offshoots, as Per Cent of Population, 1870–1998	355
Table E–12	Employment in Latin America and Asia, as Per Cent of Population, 1950–98	356
Table F–1	Value of Merchandise Exports at Current Prices (56 Countries), 1870–1998	359
Table F–2	Value of Merchandise Exports at Constant Prices (35 Countries), 1820–1998	361
Table F–3	Value of World Exports by Region at Constant Prices, 1870–1998	362
Table F–4	Rate of Growth in Volume of Merchandise Exports, 11 Countries and World, 1870–1998 ...	362
Table F–5	Merchandise Exports as Per Cent of GDP in 1990 Prices, 11 Countries and World, 1870–1998	363

Development Centre Seminars

**THE WORLD ECONOMY:
A MILLENNIAL PERSPECTIVE**

by

Angus Maddison

DEVELOPMENT CENTRE OF THE ORGANISATION
FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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Foreword

Shortly after my arrival at the OECD in 1996, I came upon the study by Angus Maddison “Monitoring the World Economy 1820–1992”. It is a fascinating and stimulating work providing a complete coverage of the world economy during the period in question. It brought together data of some 56 countries accounting for 93 per cent of the world output and 87 per cent of the world population and world exports. It never left my desk. Probably I was not alone in my appreciation of this quite extraordinary work, as I kept coming on references to it in the work of other authors.

As we were nearing the end of the twentieth century, it seemed to me that this study could undergo some slight revisions to make it more attractive to general readership, and brought up to the close of the century and of the second millennium. I discussed the project with Professor Maddison and, to my delight, he agreed.

From his enormous energy and intellectual capacity emerges a far greater work in depth and scope than anything I had imagined possible. This book covers the development of the entire world economy over the past two thousand years. The author takes a (quite literally) global view of world growth over that period, examining both changes over time and between different regions. The book has a wider ambit than any previous OECD publication or, indeed, than almost any other publication in the market worldwide. First, the scope of the analysis is breath-taking. Second, there must be few (if any) economic history books so wide in their reach, in terms of both geography and history. Third, although his approach is economic, it is not narrowly so and draws on many other subjects — history, geography, demography and more — on the path to its conclusions; this multidisciplinary sweep gives the book great value.

Because of its value and its global reach, I am sure it will find a global readership, as an authoritative reference for academics, students, professionals and general readership.

I predict it will find its place in homes, offices and libraries in every corner of the world, and for many years to come. It will undoubtedly be the foundation for further works of this kind during the millennium we have just entered.

We should all be extremely grateful to Angus Maddison for having taken on this challenge with results which far exceed my original expectations.

John Maynard Keynes wrote that the master economist should “examine the present in light of the past, for the purposes of the future”. Never before have we had such a rich resource at our disposal to pursue that objective.



Donald Johnston
OECD Secretary-General