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Autor/es: Giovanni Federico (European University Institute) and Antonio Tena-Junguito (Universidad Carlos III de Madrid)

Dirección electrónica de contacto: antonio.tena@uc3m.es

The Americas Divergence. Independence versus Emancipation in Latin America and the Caribbean 1820-1870

Giovanni Federico (European University Institute)
Antonio Tena-Junguito (Universidad Carlos III de Madrid)

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Abstract

The Debate on the historical origins of the American divergence insists in the relevance of the half century following Iberian Independence. Wars, disorder and political instability that occurred in the postcolonial period have been linked to the failures of Iberian colonial institutions rooted in the colonial legacy. This article claims, contrary to conventional wisdom, that post-colonial performance in Latin America did not help to explain the Great Divergence of the Americas. In one hand, there is not any solid quantitative evidence that support that historical narrative with a few exceptions (notably Mexico). On the other hand, we remark first, the relevance of the Emancipation in the British colonies, first because it created new opportunities in the Iberian tropics (notably Brazil), second it reduced to the margin the once prosperous tropical British colonies in the Americas.

Introduction

The Mexican president, Porfirio Diaz, said once 'Poor Mexico, so far from God and so close to the United States'. In economic history, this statement holds true for the whole continent south of the Rio Grande. If compared with the United States, the economic performance of Latin America appears very poor in the first decades of the 19th century (the 'lost decades') and mediocre at best throughout the whole century. Latin America is explicitly quoted as a case of reversal of fortunes, Acemoglu et al ((2001a and 2002), or institutions influence for natural resources at the time of settlement, Engerman and Sokoloff (1994, 2002, 2005 and 2011). By 1500 Mexico and Peru were undoubtedly richer than North America and Spanish colonies were still richer apparently than the USA /C 1256-1259/ by 1800. On the eve of World War One, the American GDP per capita was 40% higher than the GDP of Argentina and 3.4 times the average GDP of the whole Latin America (Maddison 2013). This point of view is summarized clearly by North-Summehill-Weingast (2000, p.28): "*In the half century following independence* *the presence of widespread political instability and violence distinguished much of Latin America, especially Spanish America, from the United States."… "The lag in levels of per capita GDP that persists in Latin America today is attributable in large part to events in the nineteenth century*". As the survey of Section two shows, economic historians, with few dissenting voices, agree and look for the causes of the allegedly disappointing performance. A long tradition, dating back to Prebisch-Singer .. *dependencia* school but recently revived by Jeffrey Williamson (2011), blames the specialization of export in primary products between the periphery and the core countries as explicative variable, but this argument apparently will not fit in the early stages to evaluate the Americas growth divergence because both areas had comparative advantage in similar primary products. In this context, the majority of scholars, following the seminal work by Engermann and Sokoloff (1994, 2011) blames institutions – or more precisely a combination of the Spanish colonial legacy and the negative effect of the political turmoil after the independence as the "critical juncture" to explain the growth differentials between the north and the south of the Americas.[1]

In this paper, we claim that this conventional view has three distinct shortcomings. First, growth differentials after independence are influence by the relative levels accepted for the pre independence years between the north and the south in the Americas. For the last we have very rough estimates of GDP per capita before 1800, with very different results and not for many economies see Coastworth 1998 and Allen et al (2013).[2] Second, the comparison between the United States and 'Latin America' is too generic. Latin America from Rio Grande down to Patagonia covers from the Tropic of Cancer to the South parallel 56º, with very different climates and resource endowments. Furthermore, not all Latin American countries share a Spanish (or Iberian, including the Portuguese Brazil) colonial past. Most of the Caribbean were British or French colonies, with a sprinkling of Dutch and Danish possessions, and gained independence only after 1950. Furthermore, the United States before the Civil War were not an homogenous country. On one hand, the Southern states have a quasi-tropical

[1] For the Americas historical Institutionalism the Independence would be the "critical juncture" that lead to the establishment of institutions that generate self-reinforcing path-dependent processes. For a deeper explanation of the concept of "critical juncture" see Capoccia& Kelemen (2007) p341-343.

[2] "It would be hard to argue on the basis of the population histories that bad institutions, bad culture, or bad geography held Latin America back. or that North America benefitted from good fundamentals" (See Allen et al (2012) p. 18

climate and their slave-manned plantation economy was institutionally and economically closer to Jamaica or Cuba than Ohio or Wisconsin. On the other hand, in the North, that is the West and the Northeast, there were either, traditional staples (wheat, corn, and their derivatives) similar to template economies of South America as Argentina or Uruguay, or a wide variety of manufacturing equivalent to the European core countries (see North 1961). Last but not least, the evidence on the bad performance of Latin America after independence and before 1870 is very thin. As we will discuss shortly in the section below, the two most common measures, GDP per capita and wages, are not available for most countries/year and the available data are very shaky. Thus, we rely on export, from a newly constructed data-base (Federico-Tena 2014), which covers all polities of the continent since 1820 (by climate, colonial heritage or political independence). Following this, export per capita seem to be a good proxy for the performance of outward-looking exporting economies and the level of detail.

Some important questions on the relative performance of the Latin American and the Caribbean especially before 1870 have not yet been answered satisfactorily. Independence and Emancipation institutional shocks developed very close timely and geographically and affected the relative performance of the Americas economies at the south of Rio Grande. How much both "critical junctures" affected their respective economic performance? This paper present a new data base regarding export trade at constant prices and export per capita of 44 different trade regions in the American continent in the world context as an empirical base to offer some preliminary answers to these questions.

The literature on Americas Divergence. Institutions and growth differentials

Most of the literature assume that North British and South Iberian colonies product per capita during the colonial times were similar or mostly favorable to the second, despite this statement is supported only on scattered quantitative evidence on real wages and some estimation of GDP per capita.[3] Only recently scholars as Allen et al (2012) claim that: "*The truth is that nobody knows when the Great Divergence occurred in the Americas, so explanations of that divergence drift across the centuries without any firm anchor*."

[3] For the colonial times there are a few estimation for GDP per capita in 1700, see Coatsworth (1998, 2012). Maddison Project (2013) offers data for eighth Latin American countries from 1800.

Following this Allen et.al offer partial real wages evidence that contradict severely the conventional wisdom: *"labour incomes in North America were twice those in Latin America for most of the seventeenth and eighteenth centuries. The relative prosperity of North America arose early in the colonial period.*" (p.18?).

Something similar can be said for the GDP per capita and real wages estimation available for the post-independence years previous to 1870. The Americas divergence in paths can be traced back to the achievement of sustained economic growth by the U.S. and Canada during the late eighteenth and early nineteenth centuries, while the others did not. Historical interpretation is based on very rough estimations of GDP per capita and real wages for just a bunch of countries.[4]

Nevertheless and despite the weak quantitative evidence on the origins of the American divergence the conventional wisdom is especially negative with the Latin America economic performance between independence from Spain and Portugal in early 1820´s and the beginning of the first wave of globalization around 1870. Most of the negative interpretations are based on the existence of long post-independence period of political turmoil, wars and stagnation in Latin America in comparison with a more stable period after the earliest North America British colonies Independence.

The conventional wisdom is sustained in a very pessimistic views of post-colonial Latin American performance. The final judgment is that of *The lost decades* of Latin America were the result of violence, political instability and aggressively protective commercial policies in Latin America in contrast with the successful North America of Anglo-Saxon legacy.[5] The long depression in post-independence Mexico has been discussed at length by the literature.[6] Coatsworth (1998) suggests that the gap between Mexico and the United States may be explained, in its totality, by Mexican economic failure in the half century between 1820 and 1870. Disorder and instability that occurred in the postcolonial period have been linked to the failures of Iberian

[4] The 1992 Conference with the title "How Latin American Fell Behind" Published later by Haber (1997) presented some of the first comparison the Americas development but with very limited quantitative data . For the most recent exhaustive GDP per capita comparison fort the post-independence period see Coatsworth John H.(1999) and Table 6 in Prados de la Escosura (2009). For real wages see Arroyo (2013) and Williamson (1999).

[5] See Bates, R. H., Coatsworth, J. H. and Williamson, J. G. (2007) pp.925 and 931.

[6] See Coatsworth (1989, 1993, 1998); Dobado-Marrero (2001); Salvucci-Salvucci (1993).

colonial institutions anchored to the colonial legacy.[7] Whatever the reasons, these pessimistic views of the post-independence decades in Latin America often present the half century from 1820 to 1870 as the *lost decades*, usually comparing them with core European countries and especially with the New Republics high expectation created by the early and successful independence of United States.[8]

After 1860, there were still significant institutional obstacles affecting the supply side in Latin America, nevertheless civil wars in most regions of Latin America had ended and liberal political forces had taken office, abolishing most of the "ancient regime" rules affecting land and internal customs but also implementing modern commercial and civil codes. The fall in the number of armed conflicts in this period facilitated the transition to political stability and new governments were able to introduce financial and fiscal reforms which increased public investment in infrastructures and other public goods such as security and education. The new stable regimes and the reduction in transoceanic freight costs created apparently a positive situation to develop a favorable Latin American export performance after 1870.

The first comprehensive study of the economic consequences of American independence by Prados de la Escosura-Amaral (1993) or one of the last work on the field by Prados de la Escosura (2009), present a less dramatic negative view of Latin American economic performance after independence in relation to The United States. Basically the alternative optimistic views of the post-independence period are based on the new opportunities created to Latin America by the release of the trade burden imposed by the colonial system. Iberian commercial monopolies were brought to an end by independence after the 1820s and this allowed the Latin American republics to trade directly with Europe and North America.[9] In this view trade liberalization was compatible with a high demand of tariff revenue in the process of the new State

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[7] "In short, the new institutional explanation for Latin American economic backwardnes is anchored in the political disorder and instability that occurred in the postcolonial period but which was rooted in the failures of colonial institutions. Post-Independence disorder in turn did not provide the right conditions for economic growth" p.   Grafe/Irigoing (2006)

[8] Pessimistic views can be found in Coatsworth, (1993), Bulmer-Thomas (1995), Coatsworth (2006), Coatsworth, J. H. and Williamson, J. G. (2006) and Bertola-Ocampo (2012); For the negative influence of political instability and war see Centeno (1997). For the foreign and domestic debt see Marichal (1989) and for the role of fiscal and monetary fragmentation after independence see Irigoin (2003).

[9] See Prados de la Escosura (1993, 2009).

building.[10] Unlike the pessimistic view other variable as the early colonization of the south, the unpopulated land abundant and the template climate of the north or and different institutional shocks represent also different potential for development in the North than in the South of the continent. However, the partial evidence provided by various sources and, probably, asymmetrical regional performance after independence keep this debate open.[11]

There is not a clear consensus on how much Institutional matter in this process of economic change in the Americas. On one hand, the conventional wisdom has over emphasized the question on where institutions came from, that is the influence Anglo-Saxon and Iberian precolonial institutions. The relationship between institutional heritage and American divergence is very weak as showed by the economic performance of the slave plantation economies of the Caribbean before the Napoleonic Wars.[12] Slave plantation economies were mainly tropical and represented in the early 1820´s around 45% of total Americas export if we take into consideration the cotton and tobacco exports of the Southern US. In the first half of the 19th century Emancipation was not so rapid and geographically extended as Independence, but involved almost 20% of total American exports taking into consideration only the British and French West Indies before the early 1830´s British Emancipation.

Caribbean British economic decline in the first half of the 19th century is out of the debate of the American divergence. Scholars were more worried about the British fiscal colonial profitability in the West Indies and its responsibility on the initial capital accumulation of the Industrial Revolution. The academic debate from Drescher initial

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[10] Napoleonic invasion of the Iberian Peninsula give the opportunity to British merchants to settle in a relevant number of different Latín American cities, (see Bulmer-Tomas (2003) p. 28). Countries like Brazil included a preferential treaty access to British market at low tariffs rates, at least until 1844 when the treaty was denounced (see Machester 1933 pp.70-98). A recent estimation (see Tena-Junguito et al. (2012)) of a representative sample of tariff average for cottons manufacture in Latin American countries (Argentine, Brazil, Chile , Colombia, Mexico, Peru, Uruguay and Venezuela) offer a reduction from around 68% to 32% from 1846 to 1863.

[11] To go in deep on this debate see Prados de la Escosura (2009). For other recent optimistic views on Post independence Latin America see also Gelman, J. (2009) or Llopis-Marichal (2009).

[12] "During the colonial period, the economies with the highest per capita income were those in the Caribbean , and it made little difference whether they were Spanish, British, or French origin. The case of superiority of British institutions is usually based on the records of United States and Canada,.." Engerman &Sokoloff (2012) p. 15.

thesis (Econocide (1977) an more recently in Abolition (1999, 2010)) has argued that abolition of the slave trade and slavery was not the result of British Caribbean economic decline but and *economic suicide,* as slavery remained extremely profitable. Decline in profitability before abolition is a key argument besides of the analysis of the difficulties to compete by freemen against slaves after the Emancipation.[13] The new evidence and arguments undermined the long-standing thesis of the Eric Williams (1944) famous book *Capitalism and Slavery*, that British abolitionists succeeded only because the slave colonies were in a state of irreversible decline. The long run impact of Emancipation in the Caribbean region has been less discussed even if it has been recognized by different authors.[14] The most recent and exhaustive book on *The Economic History of The Caribbean since the Napoleonic Wars* (Bulmer Thomas (2012)) renounce to compare systematically Caribbean relative economic performance with others parts of the continent and the world for the years previous to 1870, apparently because absence of comparable data (see p.11, Table I.I. and p.12).[15] For the period previous to 1870 Bulmer Thomas is more interested in the analysis of the relative performance inside the region, including the good performance of Cuba, but he avoids the discussion on the West Indies (British, French and Dutch) relative performance in the Americas. In consequence there is not a history of the Caribbean West Indies colonies *lost decades* after Emancipation.

To summarize, we believe there is no quantitative evidence enough to know when did happen really the American divergence and that is true also for the decades that follow the Latin American Independence. We will try to prove that there is not such a divergence between the north and the south in the mentioned period. According to this our result will show that economic performance is apparently more relevant

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13 *"A potential conflict had existed from the beginning of the abolitionist movement, when Dean Tucker had cautioned Ramsay that the Atlantic slave system would never really be undermined until sugar could be produced more cheaply by free men than by slaves. Tucker was totally wrong in one respect. During the 50 years after his warning British antislavery moved from victory to victory while sugar produced by non-slaves made little headway against slave-produced sugar."* Drescher (1999, p.71).

14 *"In the eighteenth century, the Caribbean was the most profitable area of European colonization in the Americas. By 1870, it was an impoverished backwater."* Maddison(2004, p.49). Eisner (1961, p. 119) estimated that per capita real income in Jamaica fell by a quarter between 1832 and 1870.

15 *"We may observe an initial period (1870-1913) when performance in the Caribbean lagged seriously behind every other regions , followed by another cycle (1913-50) when almost the opposite was true."* *(p.12).

according to factor endowments and institutional shocks than on the institutional legacy bases.

Measuring the performance of the Americas.

As mentioned in the introduction some recent efforts have been made to measure the relative performance of the Latin America in the period previous to 1870 (see also the estimation for 1820 for different countries in Prados de la Escosura (2009, table 6) and Bertola-Ocampo (2012 Table 2.4) that include recent estimation for some other countries as Chile (Diaz, Luders and Wagners 2007); Colombia (Kalmanovich and Lopez (20009); Cuba (Santamaría 2009); Venezuela (Baptista 1997). Table 1 below offer the growth rates from the data of the last Maddison project version that include some of the previous estimation of GDP and some new estimations of population.

Table 1

Rates of growth GDP per capita, Americas

	1850/1820	1860/1820	1870/1820	1913/1820
Canada	1.28	1.18	1.26	1.71
USA	1.02	1.25	1.17	1.46
Argentina	0.75	0.76	0.77	1.44
Brazil	0	-0.01	0.08	0.18
Chile	1.36	1.45	1.52	1.72
Colombia	-0.27	0.18	0.48	0.5
Mexico	0.15	-0.22	0.07	1.09
Uruguay	0.77	1.07	1.25	1.12
Venezuela	2.22	1.34	0.84	1.16
Cuba	0.6	0.91	0.73	1.08
Jamaica	-0.84	-0.66	-0.56	-0.15
15 L. America			0.02	0.67
21 Caribbean			-0.3	0.66
L. America			0.42	0.97
World			0.43	0.83

Sources: Maddison Proyect (2014) for Chile (Braun et al (2000), Venezuela (Babtista (1997). Population Fedrico-Tena (2013)

As implicit in the conventional wisdom, during the 'lost decades' Latin America as a whole trailed behind Northern America. However, the Maddison estimation of Latin America rate of growth was identical to that of the world and some countries, most notably Chile and Uruguay, did match the performance of the North. Other Southern American countries, such as Argentina or Cuba grew sizably, while Brazil and Mexico barely changed, or Jamaica show a negative growth. Maddison rate of growth average average for Latin America 1820-1870 is 0.42 that's closer to the one of 0.5 of Prados de la Escosura (2009) in Table 6 but more than double the average of 0.2 offered by Bertola-Ocampo (2012) in table 2.4. We would like to remark: first, the unstable confidence of the GDP estimation we have for the period, that is recognized for the authors using alternative estimation of export per capita, second, the wide variety of institutional experience that are not included in this picture even if they are probably the most populated countries in Latin America (around 68 % of total Latin American population). Third, that the estimation offer data for some bench marks, and it makes difficult to introduce in the analysis the effects of specific shocks such as wars, territorial annexation or emancipation. Other popular measure of performance trends in (PPP-adjusted) real wages, may be, under some assumptions (i.e. that labour market well integrated and if distribution of income constant), an alternative to accurate proxy of GDP per capita. Unfortunately it exists very few time series for our period. Most of series of real wages mentioned have been estimated for the Precolonial period (see Allen (2012) , (Arroyo (2013), Dobado et.al. (2014), Williamson (1999)) and data for the study of the lost decades in Latin America is apparently very limited.

Given the lack of accurate GDP estimates the debate on the Latin American performance during this period has shifted in some occasion (as did Bertola-Ocampo and Prados de la Escosura) to the export performance. We present here mainly a new data base of constant export estimations normalized by population for 37 policy units, from 1821 to 1913, divided into 21 Ibero, 12 No-Ibero and 4 North America (see Appendix) . We believe this represents a significant improvement in relation with previous estimations. [16] Other novelty of our proposal is that we offer a comparative perspective of the Americas performance with the rest of the world because the data used is part of a wider project of a New World Trade series 1800-19138 (see Federico-Tena (2014)). Constant export growth and export per capita levels

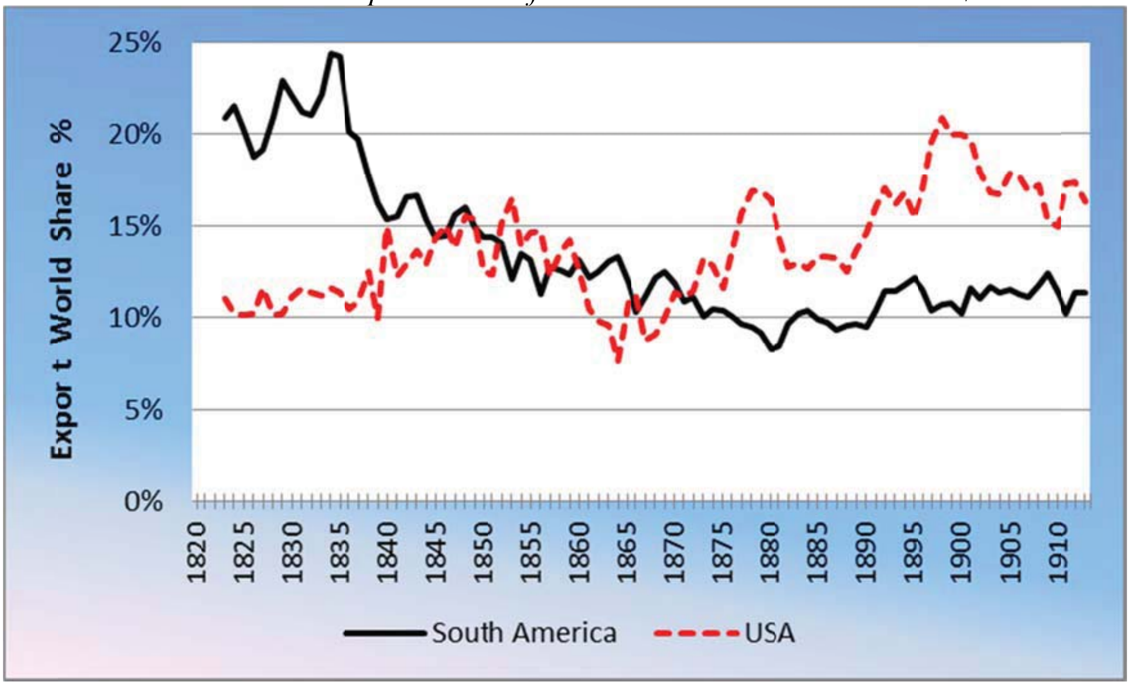
[16] Bulmer-Thomas (1995, 2003), in his History of Latin America, refers only to 20 Iberian policy units for 1850-1938 but his data in constant prices are partial as they are from secondary sources. Bulmer-Thomas (2012) recently published a superb comprehensive Economic History of the Caribbean from 1820 to 2010 with original quantitative systematic data for ten years average along the period 1820-1938 including estimated current and constant export and import series, export per capita and terms of trade. The geographical coverage takes in all the Caribbean islands, including Belize and the three Guianas.

have been used previously by many scholars as a proxy of relative performance, nevertheless they are liable to attract also some criticism. It is possible to combine an excellent export performance in some sectors with disappointing results in other sectors or even in terms of overall economic growth. Certainly, in poor economies as those of Latin America in the period, a long share of the population worked out of the tradable sector in the agriculture and service traditional sector. This measure assumes that traditional sectors growth is flat and Export dynamic capture the relative performance of a traditional economy .

Export performance, institutional shocks and American Divergence

An extensive literature on comparative institutions, as mentioned in the introduction, insists on the relevance of the continental comparison between the north and the south of the continent based on the respective colonial origin or the institutional heritage (see North et.al. (2000) and Engerman-Sokoloff (1997, 2011)). We claim that the institutional stories yield to three testable hypothesis: first, the American divergence currently explained as a divergence performance between the North and the South. It assume that Iberian colonies in the south always perform worse than the early independent countries with British institutions in the north (i.e. US and to some extend Canada); second, Independence shock, that imply that those countries that experience political independence experience export fall or relentless in relation with early independence countries or colonies; third, Emancipation shock, this hypothesis sustain that that slavery abolition caused a negative shock in the Emancipated colonies but a positive one in the non Emancipated that exported similar tropical products.

Figure 1
World Export Share of South and North Americas 1913$



Sources see Appendix

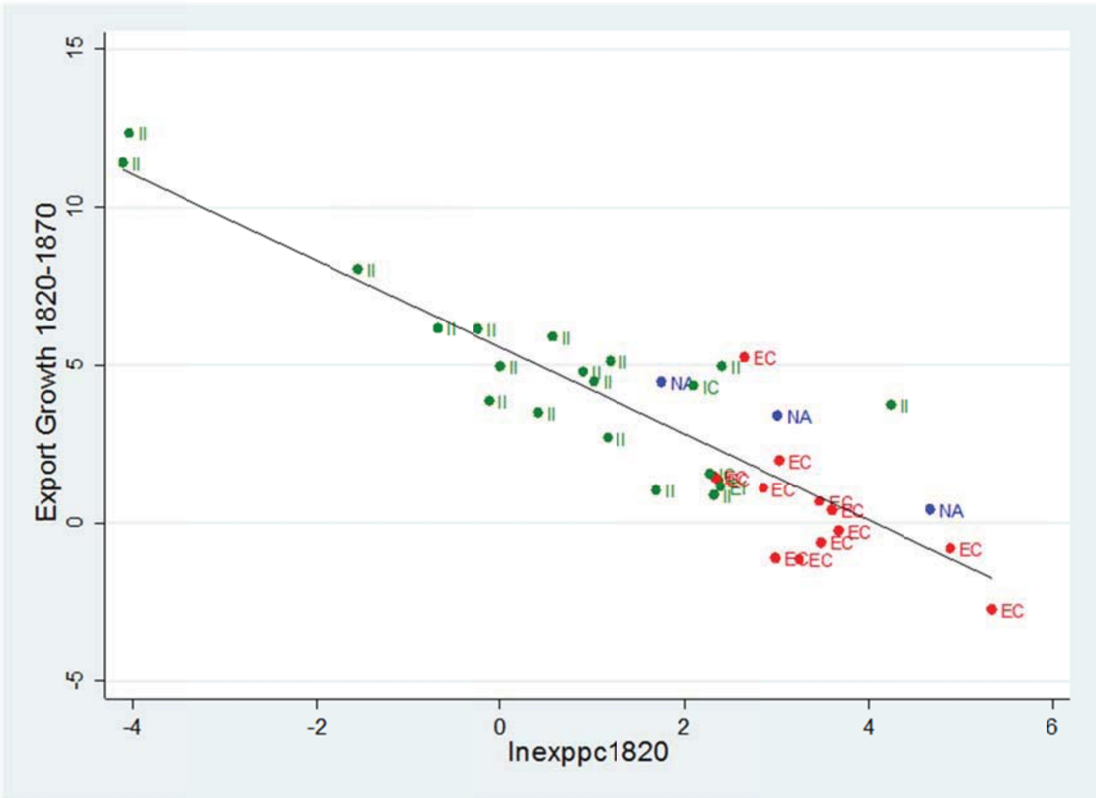
Figure 1, present the first hypothesis and apparently confirm this conventional wisdom. In one hand, the United States managing to increase their world export, with their obvious exception of the Civil War and its aftermath, on the other hand, South America (the Americas South of Rio Grande) that collapsed from 1834 declining to a minimum until the turning point of 1880. Contrary to Table 1, (bench-marks per capita GDP comparison) here the North-South divergence is an historical specific phenomenon that appear in the second half of the 1830´s. Our proposal is, following this general picture, to define better the difference between factor endowments, institutional legacy and institutional shocks.

So an additional potential test to discriminate between Institutional legacy and Institutional shocks effects in the Divergence of the Americas would be to test the pattern of performance between different institutional policy units that were affected either by Independence or Emancipation. Independence and Emancipation historical process had mutual influence each other because they occurred synchronically and were geographically and economically connected as proved by the plantation economies connected by the international tropical commodity market. As mentioned, both processes had not been compared before because they form part of very distant historical debates more related with the influence in their respective imperial metropolis than with their relative comparative economic performance..

After the Napoleonic Wars (mainly the slave economies that affronted the emancipation process) had the worst export performance compared with those that affronted the difficulties and opportunities of political Independence. Figure 2 plots 37 American polity units initial level of developments (proxy by their logged export per capita in 1821/25) associated with their respective export growth rate between 1821/25 and 1871/75.

Figure 2

Initial level of development and export performance in the Americas 1820-1870



Sources: Table 2 and Appendix.

First, association between both variables are inversely and consistent correlated (-0.58***) for the Americas. Second, we identify a cluster group of policies, the slave Emancipated Colonies (EC in red color), with an initial high export per capita level and a bad export performance after Emancipation. Emancipated colonies (British, French and Dutch Caribbean economies) are clustered around the right bottom corner in Figure 1 showing that those that arrived in good position after the Napoleonic Wars had problems with growth after Emancipation. Third, Independent Iberian (II) countries are more dispersed along the inverse correlation line showing an initial relative lower export per capita level and much better performance than the first group during the so call *lost decades* after the Latin American Independence. Southern US slow export growth after the Civil war and slave abolition but before 1870 as it happened also with Brazil and Cuba had a very good performance.

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We follow below with a deeper discussion on the criteria and relevance of the regional division of the Americas based in factor endowments and colonial origin. This allows us to present a new perspective on the export performance of the Americas taking into consideration the different effects of independence and slavery abolition. This study concludes that, on one hand, even taking into consideration the most optimistic expectations represented by the United States, independent Ibero-American countries did not perform so badly during the so call *lost decades* either in the Americas or the World context. On the other hand, in the same context, the plantation economies offer a dual export performance between those emancipated and those did not. Iberian tropic took e advantage of the outstanding British Caribbean Emancipation export sharp drop.

The lost decades? Latin American post-independence years 1820-1870.

A new test to capture the influence of different institutional shocks in the America divergence is to compare economies with similar factor endowments, then susceptible to be affected by similar demand lottery. A first approximation proposal is the separation in the tropical economies between the Iberian countries of Latin America (Ibero-America) and the non-Iberian countries of Latin America (British, French and Dutch Americas) in the decades that followed the political independence of the new Iberian Republics.[17] The exclusion of the political units that participated in the slave

[17] Most of the Ibero-American countries were free by 1810, but some took longer such as Brazil (1822) or Uruguay (formally Independent State in 1828). The independence wars spanned from 1808 until the Battle of Ayacucho in 1824 and provoked a huge amount of destruction of human and material resources. The population lost in these wars is estimated at 800,000 people, reducing the population to around 19.5 million in the 1820s. See Table 3 and Bertola &Ocampo (2012), p.53.

Emancipation in the early 1830´s and not in the Independence allow us to capture the institutional change that influence the Americas during the first half of the 19th century.

Some of the pessimistic views, also wonder why after Independence the bad economic performance persisted for so long.[18] As a second step to test the influence of political independence we follow four different Iberian clusters in the American continent: a) Ibero-America as a complete region; b) Ibero-America excluding Cuba and Puerto Rico as no political independent units; c) Ibero-America excluding Mexico (we will insist later on Mexican singularities because exceptional historical shocks); d) Ibero-America excluding all territories previously mentioned. The matching between the North and the South regions with similar factor endowments is our best analytical option but we do not exclude other richer geographically and historically comparative options.

Table 2

Export per capita constant ($1913)

	1821/25	1851/55	1871/75	1891/95	1911/14
A. NORTH AMERICA	7.3	10.8	13.0	17.4	26.4
United States	5.5	10.1	12.0	16.8	24.9
*Southern United States	5.8	14.5	13.2	17.6	20.2
*Nothern United States	5.2	7.5	11.4	16.4	27.0
B. SOUTH AMERICA	5.0	7.5	10.8	13.9	18.7
1. Subsistence Agriculture and Mineral Prod.	3.5	4.9	7.4	8.7	12.1
1.1 Strong Mineral Producing	3.6	5.1	7.8	9.0	12.4
1.2 No Mineral Producing	1.0	2.5	2.9	4.8	8.0
2. Tropical Agricultural	6.5	9.5	11.4	13.5	15.2
Iberian	3.0	8.4	10.7	13.0	15.0
British	25.1	15.1	16.1	19.7	21.9
French	13.8	13.1	12.0	10.4	10.1
Dutch	46.2	25.1	17.1	19.0	20.3
Scandinavian	15.9	10.5	8.3	20.8	13.1
Non Iberian	21.5	14.6	14.2	15.4	16.0
3. Temperate Agriculture	13.4	20.9	36.7	48.6	59.7

[18] That is extending the lost decades to 1870. See Bates-Coatsworth & Williamson (2007) p. 935 but also Bulmer-Thomas (1993) and Bertola-Ocampo (2012).

Iberian South America	3.6	6.9	10.5	13.8	18.8
Non Iberian South America	23.5	16.2	16.3	16.7	16.5
Iberian South America (No Mexico)	2.7	7.3	11.8	16.2	21.0
Iberian No Cuba & Porto Rico	3.4	6.4	9.6	12.4	17.7
Iberian No Cuba &Porto Rico & Mexico	2.4	6.6	10.7	14.5	19.7
Total Americas	5.8	9.0	12.0	15.9	23.1
Total World Sample	*1.0*	2.2	4.7	6.7	10.6
Total Europe	*2.2*	4.5	10.1	13.5	20.2
European Periphery	*1.3*	1.7	3.8	6.2	7.8
Iberian Metropolis	*1.8*	2.6	5.1	9.0	10.5

Sources see Appendix : Ibero-America is equal to South America excluding Non Iberian Countries (that is British, French and Dutch Caribbean). Number in italics in green shadow are for 1831/35. World sample of from Federico-Tena (2014). Southern US: Cotton and Tobacco exports at $ 1913.Southern population: South Region in the US Census Bureau 1820-1938. Nothern US is the difference of the last with United States.

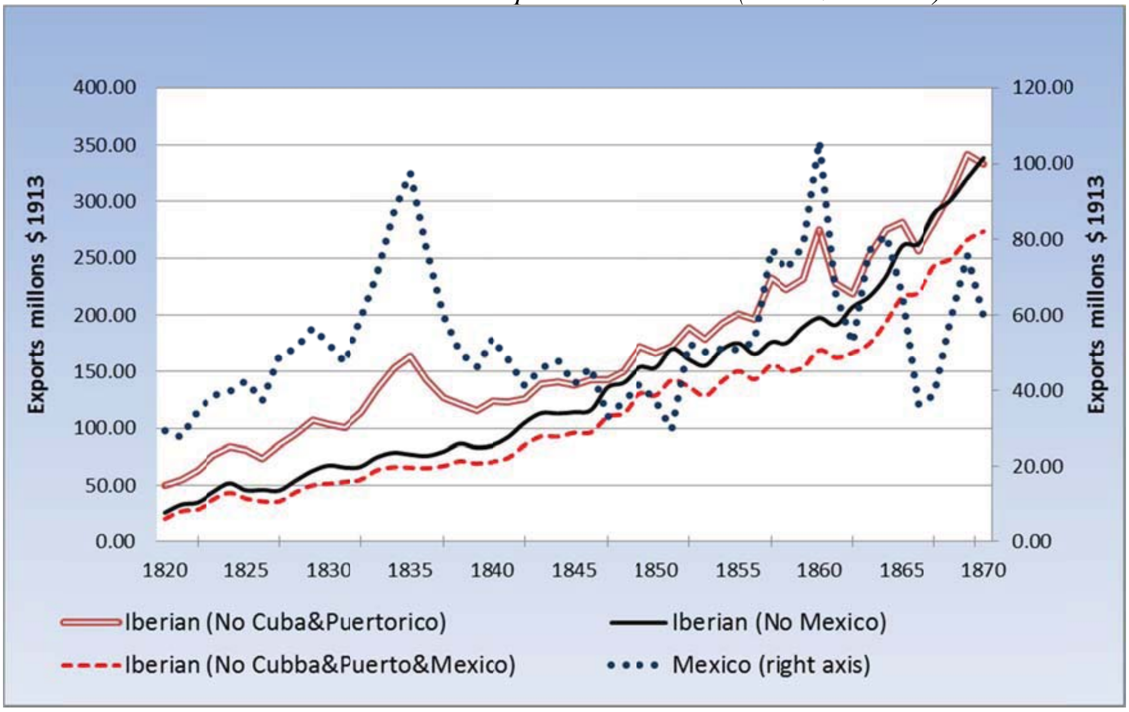
In the period running from 1821-25 to 1871-75 the Ibero-America countries, with and without the Spanish-dependent Cuba and Puerto Rico, increased their per capita exports 2.8 and 2.9 fold respectively and the United States did so by 2.2. Certainly, during the first part of the period the United States (1.8) performed very similar to the Iberian countries, what would indicate the no existence of a major failure for the post-independence decades of the Iberian republic with and without Mexico (as shown by the respective export multiply factors of 1.9 and 2.7 between 1821-25 and 1851-55).

We remark that British and French West Indies, that represented an important share of the Americas' commercial economy at the beginning of the 19th century, [19] show a big post Emancipation shock in the same period under the influence, first, of the British Caribbean Emancipation Bill in the early 1830s, and second by French slaves freedom in 1848.[20] Export per-capita from 1821/25 to 1851/55 fall almost to half, (from 21.5 to 14.6).

[19] In 1821/25 the tropical exports countries represented around 31% of the total exports of the American continent of which around 18% were exported by non Iberian policies in the Caribbean region (11% by British colonies).

[20] In parliament, the Emancipation Bill gathered support and received its final Commons reading on 26 July 1833. British West Indian sugar exports did not decline until slavery itself was abolished (see David Eltis (2008)). "Indeed, with the opening of new lands in Trinidad and British Guiana, exports actually increased slightly- but the British lost market share to Brazil and Cuba, the planters in both countries

Figure 3
Ibero-America exports 1820-1870 (1913 $ million)



Sources: see Appendix 1

Figure 3 shows the Mexico influence in the Iberian Independent Republics export performance before 1870. Among the reasons that would explain this argument, in addition to the wars and political instability of the period, would be the decline in silver production from 1820 to 1840. Mexico saw the loss of Texas in 1836, the war with France in 1838, and very dramatically, the loss of half its territory to the United States in the war of 1846-1848. Figure 2 shows, on one hand, the results of all these variables on the decline of Mexican export performance from the early 1830s to the early 1850s. On the other hand, we can also observe the extraordinary increase of Mexican exports during the United States Civil War years. The Union blockade of the Confederate Atlantic ports, from the early conflict years, forced Mexico to be used as an *entrepôt* of the important raw cotton exports of the Confederate Southern States. So even if our data on Mexico's exports for those years are estimated from the import

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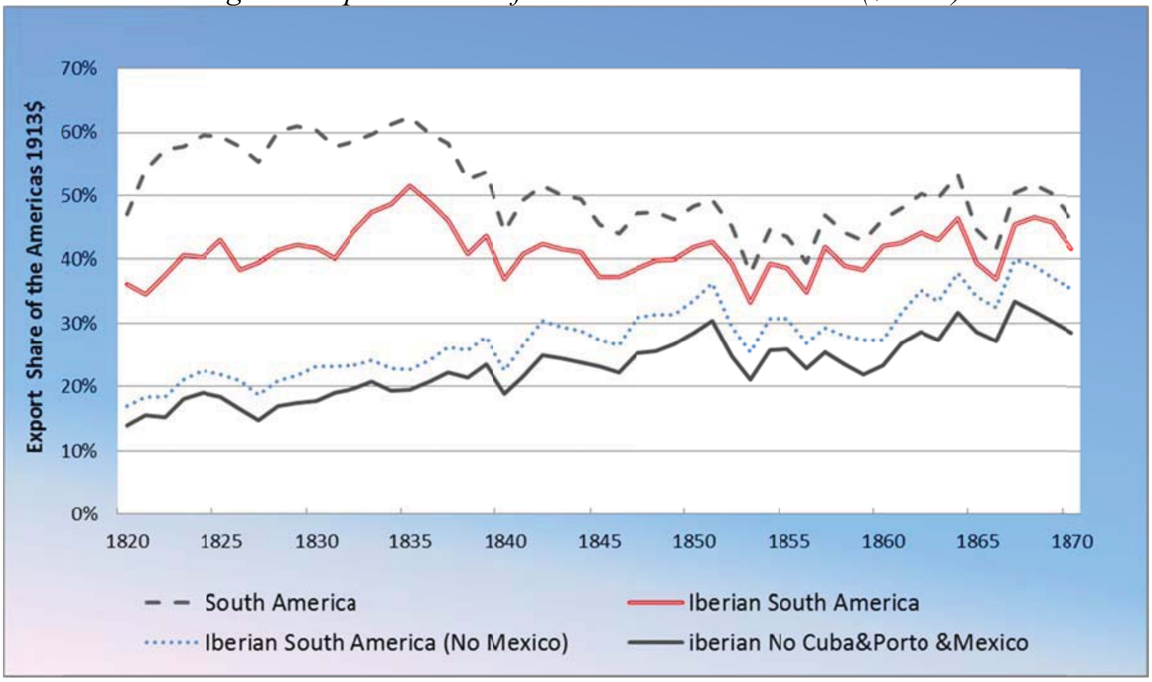
facing fewer restrictions on access to and exploitation of slave labor." Eltis-Lewis-Sokoloff (2004), p.13. Slavery was first abolished in France in 1794, then restored by the Consulate in 1802 and only definitively abolished in 1848 by the Second Republic. "Early in the century, the richest slave colony in history, St Domingue, had become independent Haiti via the world´s most successful slave revolt and remaining French slaves had followed their British counterparts into freedom in 1848. Of the Dutch slave system, only a fragment survived to emancipation in 1863. Eltis-Lewis-Sokoloff (2004), p.13

partner records of the USA and the main European countries, they apparently include transit raw cotton imports as coming from Mexico.[21]

Figure 4
Regional export shares of the Americas 1820-1870 ($1913)



Sources: Appendix 2

On this basis we summarize in Figure 4 the relative export growth (export shares of the American regions in constant prices) of the post-independence Iberian Countries (with or without Cuba, Puerto Rico and Mexico). Iberian South America exclude the European Caribbean plantation economies, and after all performs similar to the rest of the continent, around 40%, if we include Mexico (double red line) and better if we exclude it (discontinuous blue points) that's go from 15% to 32% along the years 1820 to 1870. It would confirm the good performance in export per capita growth showed in Table 2. Unlikely, the share of the total South America, that was 60% of total Americas including European Caribbean slave economies, in the 1820´s and early 1830´s, pre-

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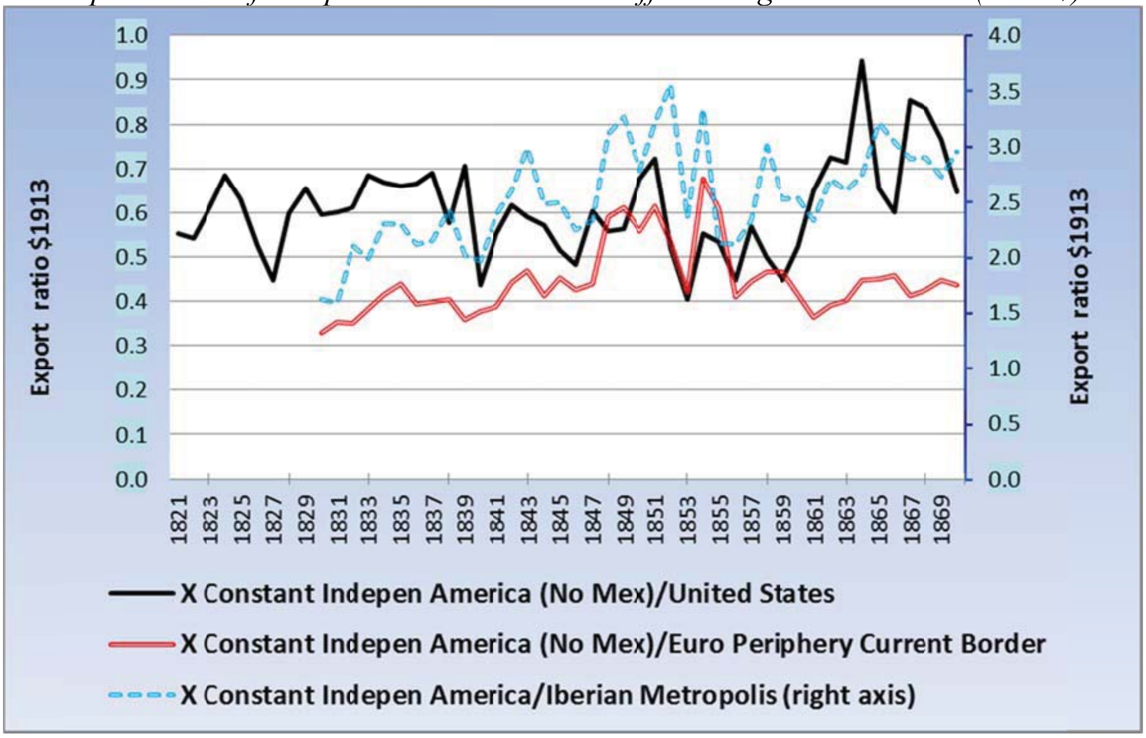
[21] As it has been clearly expressed by Salvucci (1991) p.728-729: "From 1851-1860, United States imports from Mexico average roughly 1 million dollars a year in current prices. By 1865 the figure had swollen to $6 million. Raw cotton alone accounted for $5 million. But Mexico had not suddenly become a major cotton producer. It had become an *entrepôt* (at Matamoros, Tamps., across the Rio Grande from Brownsville, Texas) for raw cotton that could not be shipped from Confederate ports because of the Union blockade. The cotton was then lightered down river and transferred to ocean-going vessels for shipment to the United Kingdom and to the Union States." Others such as Schoonover (1974) sustain that Mexico produced its own cotton for exports during the U.S. Civil War.

Emancipation years to be reduced it share dramatically to the 40% in the 1850´s post-Emancipation years. That's big fall account for the relevance of the non Spanish Caribbean in total South America Trade before slave emancipation and how the last affected the whole American continent exports much more negatively than the political independence of Latin America.

Figure 5

Export ratios of Independent America with different regions 1821-1870(1913 $)



Differences estimated as the ratio of constant exports of each group. Independent America (No Cuba, Puerto Rico and Mexico) and U.S. see Appendix 3; European Periphery (Austria-Hungary, Finland, Norway, Portugal, Russia, Serbia, Spain, Sweden) see Federico and Tena (2013).

Figure 5 offer a different perspective for the relative export growth of the Independent Ibero-America (with No Cuba Puerto Rico and Mexico) comparing its relative performance (as the ratio of constant exports of each group) either with the successful United States or other poor countries around the world. Independent Ibero-America did not show such a relative bad performance with the United States as expected. That is especially true during the early years after independence or during the early 1860´s because of the North America civil war. Furthermore, that positive view even improve when we compare Ibero-America with other yardsticks as the European Periphery (a new estimation with 8 countries) or the Iberian Metropolis (Spain and Portugal). The unexpected results is that relative performance was much better for

Independent Iberia before the first half of the 1850´s than after. Taking the period as a whole, between 1820 to 1870, whatever the yard stick we take the independent Latin America (without Mexico) had a relative positive performance in relation either with the successful North America (mainly because retardation caused by the North America civil war years) or in relation with other poor regions in Europe that were exporting too agrarian products to the rich Europe. [22]

Slave tropical economies and Emancipation

After the American independence process most of the remaining European colonies were situated in the Caribbean and are included in our classification as tropical agricultural countries. British and Spanish colonies in the Caribbean were the most important exporters at the beginning of the century, followed by French (French Guiana, Guadalupe, Martinique), and Dutch colonies (Surinam, Dutch Antilles). The only partially politically independent island in the Caribbean area was Hispaniola, formed by Haiti (the first independent country in the Caribbean) in the west, and the Dominican Republic (which remained independent from 1844 with some intervals of occupations) in the east.[23] In the first half of the nineteenth century, virtually all the tropical countries in our classification were experiencing different forms of coerced labor with the most extreme and extended being slavery. Mortality rates which were higher than birth rates among the slave population fostered slave traffic and led to the expansion of this inhuman but very lucrative activity in tropical agricultural countries during the eighteenth century. So, the tropical plantation system was intimately associated with the traffic of slaves before moral and economic reasons led some European countries to introduce effective legislation against trade in slaves at the beginning of the nineteenth century. In some cases, such as that of the British, this change began a quarter of century before it became possible to approve the abolition of

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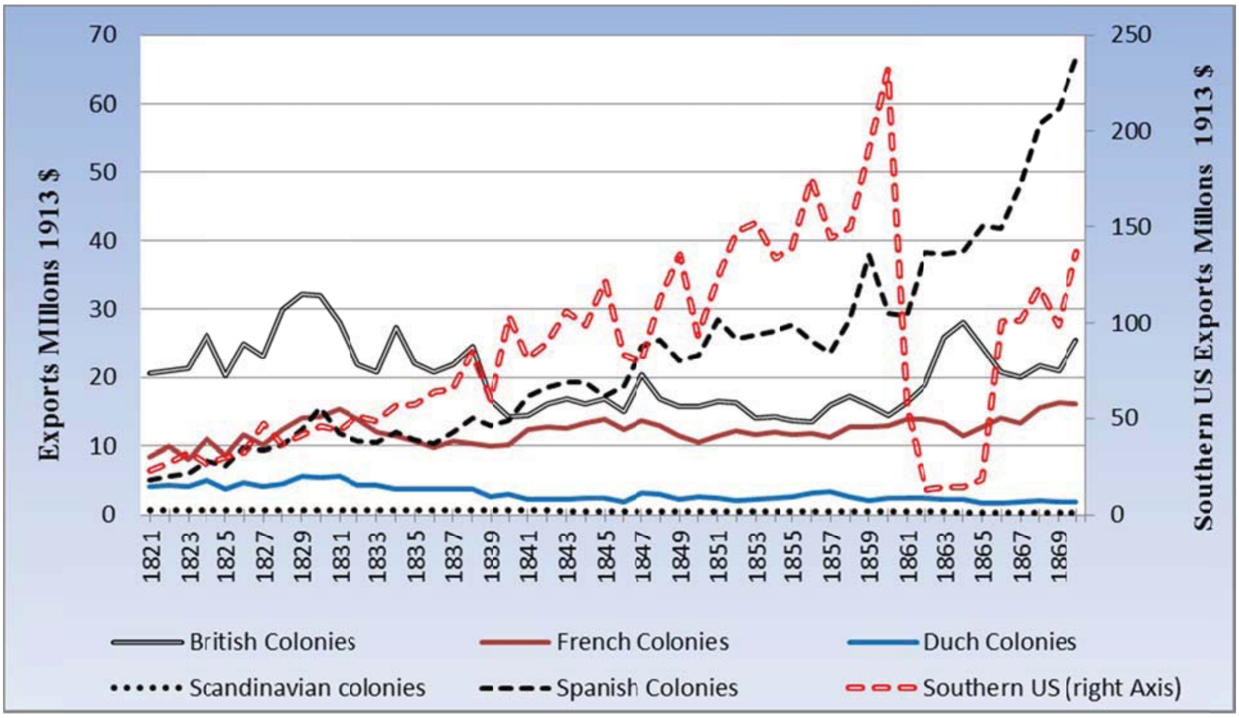
[22] The export per capita levels in Rich Europe from 1820´s to 1850´s two fold, that is very similar to that of the United States performance (see Federico&Tena 2014). Recently Bertola & Ocampo (2012), p.55 insist that the best point of reference for Latin American performance comparisons are rich Europe and North America.

[23] In addition to the countries mentioned in the text, the Tropical Agricultural Countries also includes some Iberian independent tropical countries such as Costa Rica and Brazil, but no Central American policy units such as El Salvador, Guatemala, Honduras, Nicaragua, which are included in the group of Subsistence Agricultural Countries (following Bertola-Ocampo (2012).

slavery by law in 1833.[24] At the end of the Napoleonic Wars there were five European countries still legally engaged in slave trade: France, Holland, Portugal, Spain and Sweden. Trade in slaves to Brazil and Cuba was particularly important until the third quarter of the nineteenth century. Traffic of slaves was limited by law in 1807 but it was not until 1830 that the British were finally able to bring an end to intra-Caribbean slave traffic. Puerto Rico outlawed the slave trade at the end of the 1840s leaving Cuba as the only Caribbean country still heavily engaged in this traffic.[25]

Figure 6

Tropical countries' exports ($1913 million) 1821-1870



Groups of countries see text; sources see Appendix

As mentioned in the introduction, non Iberian South America is mainly represented by the European colonies in the Caribbean islands that may be grouped in

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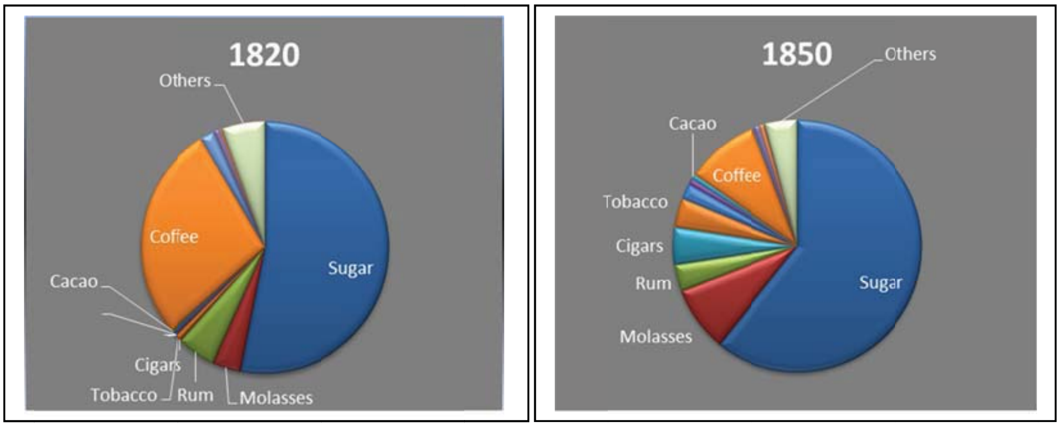
[24] Legislation against the slave trade was introduced in the British parliament in 1792 (after the slave revolt in Santo Domingo) but it was defeated. On the contrary, a similar initiative was approved in the same year in the Danish parliament (the first European country to abolish the slave trade by law). Only in 1807 did the British parliament pass the law abolishing traffic in slaves. As mentioned by Bulmer and Thomas (2012), p.21: "the arguments for and against the slave trade were not the same as the arguments for and against slavery". Humanitarian arguments supported by religious convictions but also economic arguments such as the high mortality rates and the high cost of military forts on the African coast at public expense were taken into account.

[25] See Eltis, David (2008).

British, French , Dutch and Scandinavian tropical agricultural countries. Cotton and tobacco slave plantation Southern US export were very dynamic until the Union blockade of the Confederate Atlantic ports that precede Emancipation in 1865.[26] Spanish Cuba and Puerto Rico were Spanish colonies until 1898, unlike Brazil and did not emancipate slaves until the end of the 1880´s. As Figure 6 shows the export growth of the Spanish colonies in the Caribbean was highly cyclical but outstanding in the Caribbean region for the period 1820-1870. On the contrary, tropical agricultural exports from the rest of the European Colonies show first a remarkable sharp fell of the British in the very early 1830's even preceding the abolition of slavery act of July 26th 1833, and in union with the long emancipation process in the second half of the 1830s and through the 1840s.[27]

Figure 7
Top ten Caribbean commodity exports



These ten commodities represented more than 95% of total Caribbean exports. We include here all Iberian and non Iberian Colonies and Hispaniola (Haiti and the Dominican Republic). Sources: Bulmer-Thomas Table A.18.

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[26] "As The economy of the American South was buffeted by at least three separate shocks in the last half of the nineteenth century: the rate of growth of the demand for cotton declined precipitously; many former slaves withdrew from the labor force or reduced the hours they were willing to work, and the Civil War left enormous destruction and dislocation in its wake". See Temin, P. (1976), p. 11.

[27] As already mention Emancipation Bill was approved on 26 July 1833 but expectation of Emancipation was anticipated by the market as showed by the Slave price sold fall from 1829 to 1830's (see Engerman (1984 table 1 p.139). Slavery would be abolished, but slaves on plantations were required to remain as slaves on the plantations for a further six years. Children less than six years of age were declared free in 1834 whereas predial slaves, or those employed in agriculture to become apprentices, were not freed until 1st August 1838 and non-predial slaves were to be freed on 1st August 1840. After several years of peaceful protests, full emancipation for all was legally granted in Trinidad ahead of schedule on 1st August 1838, making it the first British colony with slaves to abolish slavery completely. French colonies followed their British counterparts in 1848. See Drescher (2010).

Sugar was by far the most important export commodity in the area representing up to around two-thirds of total exports in 1850 or almost three quarters if we include others derivatives of sugar as molasses and rum (see Figure 7). Coffee reduced its relative relevance from the 1820´s in the Caribbean because the strong Brazilian competition but it was still the second main commodity exported in the region Caribbean.[28] Overall, British West Indian exports were already declining in the preliminary of abolition law approval and apparently it also affected the rest of the plantation economies of the Caribbean region. This is the case of British Guiana where sugar exports, which had more than doubled in the last twenty years of slavery ending with the abolition in 1833, subsequently fell by 30% before recovering with the arrival of Asian contract labor in the early 1850s.[29] As shown in Figure 5, British, French and Dutch exports during the 1830s and 1840s performed quite badly, especially in comparative terms, probably as a consequence of the supply failure created by the emancipation process in tropical agricultural British and French colonies. The fall of West India sugar exports produced a strong price reaction in British domestic market that favored the end of the colonial tariff discrimination contributing in turn to deepen the crisis. Partially because from the United States independence at the end of the 18th century almost 80 per cent of Caribbean exports went to mother country metropolis's consumers unlike the Spanish Caribbean.[30] Price increase reduced sugar per capita consumption in Britain dramatically from 20 lb in 1830 to 15 lb in 1840. In an attempt to supply more sugar to British consumers, Prime minister (Peels) reduced the differential of the duty on foreign import sugar first in 1844 and again in 1845 and finally equalized completely the import duties for sugar from British colonies with the sugar duties act of 1846.[31] This act abolished the preferential treatment of West Indian sugar import duties bringing them into line with sugar foreign duties and fostering a

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[28] See Absell & Tena-Junguito (2014)

[29] See Klein, H. S. and Engerman, S. L. (1985) p.261.

[30] As mentioned by Bulmer-Thomas (2012, p. 82): over 80 per cent of Caribbean French colonies exports went to France, 75% of British West Indies exports to UK, and a similar percentage for Dutch, and Scandinavian colonies. "Spain, in the other hand, liberalized trade with Cuba and Puerto Rico after the Seven Years' War (1756-63) and again after the Napoleonic Wars. As a result, the share of exports going to Spain from the Spanish colonies in 1820 was less than 40 per cent".

[31] See Green (1976) p. 229-230.

partial crowding out effect of the first. Contemporaries talk about the paramount campaign against the Sugar Act trying to show that the prosperity of the West Indian colonies was being destroyed by free trade.[32]

To have an idea of the considerable effect of the abolition of slavery on sugar producers and commercial operations it should be noted that the drop in British importation of sugar from the West Indies between 1832 and 1846 was around 32.1 per cent (see Danson (1849, p.377)). In Jamaica sugar exports declined from 68,000 tons in 1824-33 to 33,400 in 1839-46. Even if by the 1850s Cuba had become the main sugar exporter for the European markets, the supply crisis of 1831-1845 produced by slave emancipation, double sugar price, and produced the reaction for liberalization of the already mentioned colonial British sugar duty discrimination.[33]

West Indian economies imported a large amount of Indian migrants in response to demand by plantation proprietors from 1834 and helped by the imperial colonial office. Migration also took place in plantation-slave regions like Cuba between 1847 and 1874 where slaves were combined with *Chinese coolie* immigration labor.[34] By 1850 the abolition of slavery in the British colonies, according to Eltis-Lewis-Sokoloff, K. L. (2004, p.13), had reduced the American plantation system to three major: "each specializing in a different product. The US South produced most of the world cotton, Brazil a slightly lower share of the world coffee and Cuba a smaller share, but still about the half, of all marketed sugar."[35]

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[32] Since sugar duties and their equalization affected all West Indian colonies alike, the problem becomes one of explaining the failure of some islands while others succeeded. It is shifted to the internal economic development of Jamaica and her neighboring islands. This change was caused by decreased production in the British colonies, which, in turn, as we have already mentioned, was caused by slave emancipation: Curtin (1954), p. 157.

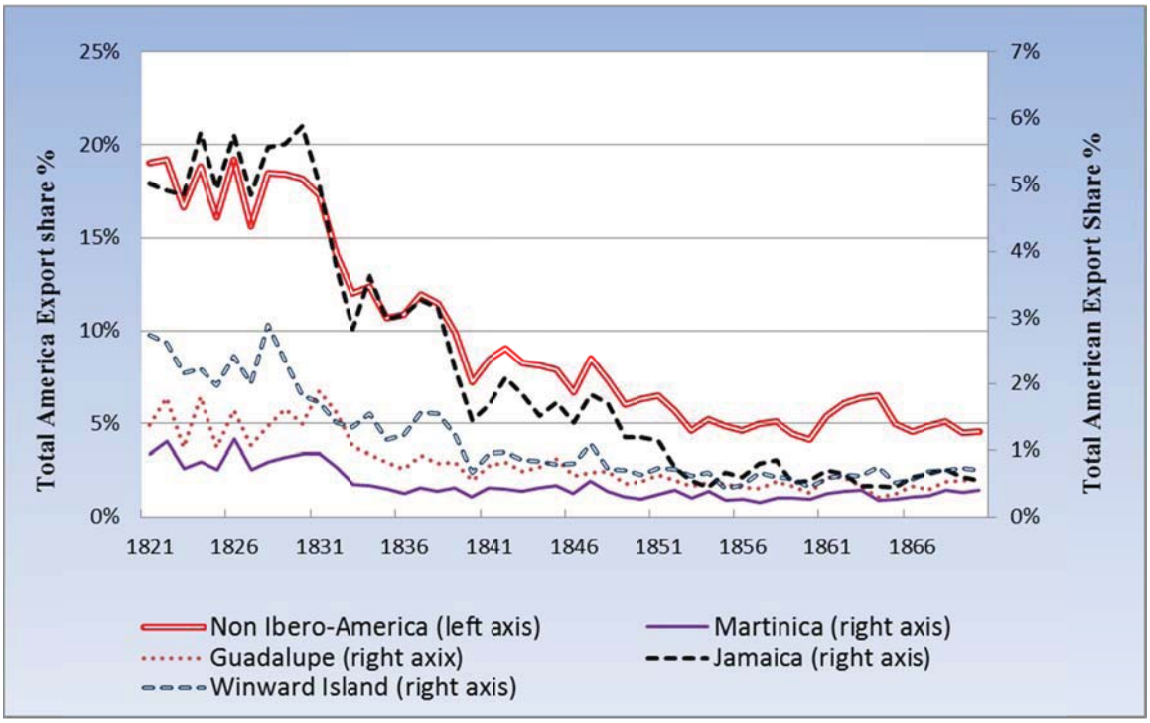
[33] Some authors as Curtin (1954, p.57) "The Sugar Act of 1846 stands in the same relation to the end of the old colonial system as does the repeal of the corn laws to the end of protection for British agriculture" or the already mentioned Green (1976) in its Chp. 8 gives also great relevance to the end of the mercantilist system to West Indian decadence from 1840´s.

[34] It should be mentioned that from 1840 the sugar plantation economy began a slow process of substitution of slave labor by free immigrant labor as shown by the 142,000 Chinese migrants who arrived in Cuba from 1847- 1874. See Manigat Chancy (2006), p.20.

[35] The abolition of slavery was accompanied by the payment of a large sum by the Imperial treasury as compensation for proprietors' capital loss. Danson (1849, pp.379-80) estimated this compensation at

Figure 8

Slave abolition and American Export shares of the West Indies (1820-1870)



Sources: constant exports in 1913$ from Appendix.

As Figure 8 shows, the Americas' share of British, French and Dutch American colonies fell from 18 per cent in the 1820s to 5 per cent in the 1850s. In the 1820-25 period around half of total South American exports came from the tropical agricultural countries and almost one-third were exports from tropical British, French and Dutch colonies. This situation changed dramatically during the 1830s and 1840s when the share of the Iberian independent countries with respect to the British, French and Dutch grew more than threefold. Tropical Iberian countries like Brazil, Cuba experienced significant expansion during this period. So, to the extent to which we trust the data, South America's slow growth between 1820-25 and 1850-55 is mainly led by the non-Iberian tropical countries mentioned before. This is also suggested by the fall of British Guiana (one of the principal sugar exporters of Latin America in 1820-25) and whose level fell more than threefold from 1820 to 1850 when the Iberian mineral-producing

around two or three times the annual average value of exports for 1832-36 of the different West Indian colonies.

countries (see Table 2) were performing quite well as evidenced by the recovery of copper and silver mining in Chile and the guano boom in Peru before 1850.[36]

Bulmer Thomas (2012), considers that although there are several candidates such as *political status*, *slavery* and *commodity prices,* no single factor is capable of explaining the variety of experience in the Caribbean. We think that the failure to adapt new free labor in the British plantation economies after the abolition of slavery is probably the most likely explanatory variable of the bad export performance of the non-Iberian colonies in the middle of the 19th century.[37] The Emancipated British and French Caribbean apparently did not overcome that shock in the plantation economies and in the second half of the 19th century became a marginal part of the tropical American exports. Jamaica is often presented as a case in which planter-owners were not able to integrate ex-slaves as indentured laborers or to use other forced or collaborative measures. According to the literature there were other notable experiences in which the sugar industry did not suffer so badly. These include those of Guadalupe, Guiana, Martinique and Trinidad and cases of emancipation like that of the Dominican Republic which, after a stagnation in the first two-thirds of the century reestablished its sugar industry and diversified its economy, expanding its coffee and, notably, its cacao industry during the globalization years.[38]

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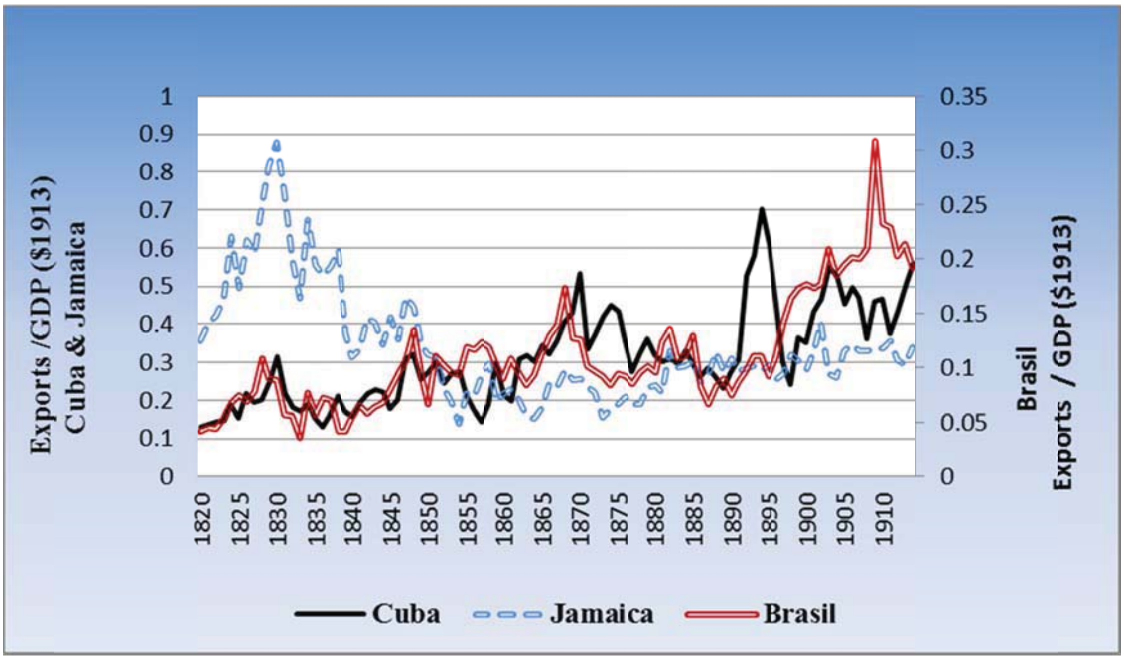
[36] In Chile copper production rose from 1.5 million kgs. before independence to 12.3 million kgs. in 1850. A similar expansion took place in Peru in the case of guano production which rose from zero to 350,000 tons per year in 1850 (see Bulmer-Thomas (2003) p. 34 and p. 36 respectively).

[37] The market labor efficiency after emancipation is discussed by Engerman (1984) and the comparative performance between slave economies in Klein, H. S. and Engerman, S. L. (1985); Eltis-Lewis-Sokoloff, (2004); Drescher (2010) and Bulmer-Thomas (2012).

[38] See Bulmer-Thomas (2012) pp. 130-132.

Figure 9

Export GDP ratios in Emancipated and non Emancipated economies



Sources see Appendix

Additional evidence on the export failure of the Jamaica economy after Emancipation is showed in Figure 9. Cuba and Brazil with different comparative advantage in sugar and coffee respectively did expand their export GDP ratios in two fold from the early 1830's to the early 1870's. Unlike Jamaica that in the same period reduced by factor 3 the same ratio from 60 to 20 percent.

So If Tropical economies are analyzed in comparative terms in the context of the Americas there is new evidence that encourage to highlight some relevant points: a) the comparative export performance of Iberian independent republics during the so-called *lost decades,* say *1820-1870* with the British, French and Dutch colonies is largely favorable to the former. Thus, this new comparative evidence would show that non-Iberian colonies, especially in the second and third quarter of the 19th century experienced a more negative performance than is often recognized; b) other colonies, with a late emancipation process, notably Cuba, or independent countries with relevant plantation economies, notably Brazil, take advantage of the market opportunities created by the British colonial Emancipation shock in the international tropical commodity market.[39] c) last but not least, we should remark that the abolition of slavery in most of the Caribbean colonies was, with political independence in the Iberian Countries, one of the most significant institutional shocks in the 19th century Americas and a relevant explicative variable of the differences in the export and growth performance of the region.

Conclusions

The Debate on the historical origins of the American divergence insists in the relevance of the half century following Iberian Independence. Wars, disorder and political instability that occurred in the postcolonial period have been linked to the failures of Iberian colonial institutions rooted in the colonial legacy. This article claims, contrary to conventional wisdom, that post-colonial performance in Latin America did not help to explain the Great Divergence of the Americas. In one hand, there is not any solid quantitative evidence that support that statement, with a few exceptions (notably Mexico). On the other hand, we remark first, the relevance of the Emancipation in the British colonies, first because it created new opportunities in the Iberian tropics (notably Brazil), second it reduced to the margin the once prosperous tropical British colonies in the Americas.

This paper present a new data base regarding export trade at constant prices and export per capita of 44 different trade regions in the American continent in the world context as an empirical base to offer a new perspective on the export performance of the Americas taking into consideration the different effects of independence and slavery abolition. This study concludes that, on one hand, even taking into consideration the most optimistic expectations represented by the United States, independent Ibero-American countries did not perform so badly during the so call *lost decades* either in the Americas or the World context. On the other hand, in the same context, the plantation economies offer a dual export performance between those emancipated and those did not. Iberian tropic took e advantage of the outstanding British Caribbean Emancipation export sharp drop.

[39] The effect of British and French colonial Emancipation on the dynamism of the Brazilian export growth between 1820 and 1870 is discussed in Absell & Tena-Junguito (2014).

Contrary to conventional wisdom this study shows that even taking into consideration the most optimistic expectation represented by the United States, Latin American independent countries did not perform so badly during the *lost decades*. Commodity exports were much more fluctuating before 1870 than after but the general pattern of long trend growth in both periods was very similar (around 3.3). A reasonable conjecture would be then that the effects of the removal of the colonial trade monopoly barriers after independence and the collapse of the Caribbean British slave plantation were not completely balanced by wars and tariffs. In addition, Latin American trade liberalization in the 1840´s and 1850´s is consistent with a better export performance along the period.

Mexico represents the paradigm of the *longue durée* post-independence economic stagnation because of political turmoil, wars and annexation. Its bad performance has nourished the pessimistic views for the whole of Ibero-America at least before the 1850´s rather than providing a useful description of the diversity and the aggregate of the Americas performance. We speculate here on how another Latino America without Mexico would offer even a better relative economic performance and we think this is an useful approach.

We have insisted in the necessary comparison of Latin America with the West Indies. Caribbean slave economies were relevant enough in World and American trade to remark that the slave emancipation process was probably one of the biggest Institutional historical shocks in the long 19th century global economic history. Before abolition in the 1830s the European Caribbean colonies represented around 6% of world exports and later, in the 1850s, the figure fell to 1.2%. This bad relative performance extended until the First War World (when it reached its lowest percentage of 0.4% of world exports).

Independence and Emancipation were two relevant historical institutional reforms very close historically that affected the economic performance of the Americas along the 19th century. The novelty of this article has been to make a first comparative analysis to scale both reforms on the Americas performance. Very few scholars would deny the long run positive relevance of both institutional shocks for the welfare of the American people so here we are debating just their economic implication in the relative economic growth for the Americas before 1870. Our provisional conclusion is that the difficulties were much bigger for the emancipated than for the independent regions. In fact the collapse of the emancipated fostered tropical non emancipated regions in the Americas and this finding would have implications in relation to the pessimistic view of the Latin American post-independence performance.

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APPENDIX

New data on Latin American globalization

Long-term analysis of the Americas growth performance is usually separated into Latin America (with some Iberian Caribbean or not), the Caribbean (including The Iberian Caribbean and West European Indias) and North America(without Mexico) on the other; the two zones being related with colonial or geographical ex-post development criteria. Latin America, rather than a strictly defined region, is used as a broad term to separate the developed and non-developed areas of the American continent.[40] Sometimes Latin America include the Caribbean Iberian Countries others time not. Latin America, in the words of Bulmer-Thomas (1995, 2003, p.1), "*referred to all those independent countries south of the Rio Grande in which a language derived from Latin (e.g., Spanish, Portuguese and French) was predominantly spoken*", but in practice the definition excluded the British, French and Dutch Caribbean and continental Guianas.[41]

The development of foreign trade statistics by political units in Latin America has been slow and irregular, but despite the prolonged period of economic and political disorder most of the countries offer some basic data for the 1820s and 1830s. The starting point of this study was to collect the scattered data for trade (we will use mainly exports data) at current prices for as many American policy units as possible, to be presented in current USA dollars. The figures are adjusted, wherever possible, to show special trade excluding re-export on a calendar year basis, but only when this information is clear in sources.[42] This means that we present special exports f.o.b., and gold, silver and bullion is excluded when information is available and does not imply coverage changes through the series (gold and silver are only included in some cases, such as Mexico or Colombia because these minerals are commonly presented as commodity exports). The figures refer to the present customs territory in the year exports are recorded and

[40] It is not clear who coined the term Latin America; its origin is attributed to the French academic L. M. Tisserand who used the expression "Amerique Latine" en la *Revue des Races Latines, January* 1861.

[41] First, British America: consists of, on one side, British Guiana; British Honduras (Belize), the Falklands and on the other side of the West Indies, which are divided into four areas: Barbados , Jamaica, the Windward Islands (Tobago, Grenada and dependencies) and the Leeward Islands (Saint Kitts, Antigua, Nevis, Montserrat, Tortola and other small islands). Second, French America: Guadeloupe and dependencies, French Guiana, and Martinique; Dutch Caribbean: Curacao and dependencies and Dutch Guiana (Suriname); we have data also for Danish America: the actual Virgin Islands that were sold to the USA in 1917. See Etemand B. (2007), p.139 and 223-24.

[42] We will discuss mainly the huge temporal problems of transit trade in neighboring countries such as Mexico during the U.S. Civil War 1861-1865,. See Footnote 18 of this work and Salvucci (1991) Appendix A, pp. 728-729.

problems such as the continuity of the British colony series due to unification of territories have been dealt with using Board of Trade criteria.[43]

Following international practice we use the term Latin America to refer to the whole geographical area to the south of Rio Grande and divide the region according to geography, colonial origin and factor endowments. Following the first criterion, we separate the region into the USA and the rest of North America (Other North: Canada, Newfoundland and St. Pierre et Miquelon) and South America. From the second criterion we obtain British, French and Dutch *No Ibero-America* on one side, and *Ibero-America* on the other. From the third, Latin America (Ibero and No-Ibero-America) is divided into the following regional units: 1. Subsistence Agriculture and Mineral Producing (with 2.1 Strong Mineral Producing and 2.2 No Mineral Producing), 2. Tropical Agriculture, and 3. Temperate Agricultural (for the countries included in these regional units we follow the last classification produced by Bertola-Ocampo (2012), and the League of Nations' (1942) classification for 1928, see also Appendix 1).[44] We present here mainly our constant export estimations normalized by population for 37 policy units, from 1821 to 1938, divided into 21 Ibero, 12 No-Ibero and 4 North America. We believe this represents a significant improvement in relation with previous estimations.[45]

Most of the evidence on regional trade series has been elaborated as a necessary component of the world trade estimations. Many of the interpretations of the relative performance of Latin America and North America are based on this group of world trade or

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[43] On the change in territorial coverage Taylor and Rothrock (1953) p. 382 observe: "Contrary to the development in some other major world areas, changes in national boundaries throughout Latin America have not been important factors affecting the comparability of national foreign trade statistics". They mention only the transfer of territory by Peru and Bolivia to Chile in 1883-84 ("The War of the Pacific") and Colombia's loss of Panama in 1904. We have included Panama from 1904 and Puerto Rico from 1820 to 1913. We will mention especially the influence of the reduction of the territory of Mexico in their export performance. Mexico borders was established after 1848 in the Rio Grande/Rio Bravo with the cession of significant portions of what is today Texas, Upper California and Santa Fe to the USA.

[44] We understand that the criteria of factor endowment abundance is not so clear or has changed over time, as can be seen in the case of Colombia (which is both a mineral exporter and a tropical agriculture country), Chile (both a mineral exporter and a temperate country), or British Guiana which was classified by the League of Nations (1945) as a mineral exporter in 1928 (because it exported nitrate of soda, gold and other minerals) although it was mainly a sugar exporter during the 19th century. As mentioned, we follow Bertola-Ocampo's (2012) classification and to avoid confusion we do not include the same country in two groups, see Table 4 and the countries included in each region in Appendix.

[45] Bulmer-Thomas (1995, 2003), in his History of Latin America, refers only to 20 Iberian policy units for 1850-1938 but his data in constant prices are partial as they are from secondary sources. Bulmer-Thomas (2012) recently published a superb comprehensive Economic History of the Caribbean from 1820 to 2010 with original quantitative systematic data for ten years average along the period 1820-1938 including estimated current and constant export and import series, export per capita and terms of trade. The geographical coverage takes in all the Caribbean islands, including Belize and the three Guianas.

third world countries' estimations (Mulhall M. (1899), Hilgerdt (1945), Lewis (1952, 1981) or Kuznets (1959) and the more recent estimation of trade in third world countries in the 19th century by Hanson (1980) and Bairoch-Etemad (1985)). Our new figures are yearly and are based on a combination of two different types of compilations. On one hand, they are taken from the data included in the original sources from which the classical works mentioned above were probably very largely drawn, such as Neuman-Spallart in *Uebersichten der Weltwirtschat* who provide figures for 87 individual countries or territories for 1880-1894. The colonial reports from British colonies and protectorates in statistical tables relating to the colonial and other possessions of the United Kingdom offer figures for more than 50 British colonies or protectorates between 1827 and 1912. A complementary and very interesting source is the S*tatistical Abstract of Foreign Countries*, published in 1909 by the United States Department of Commerce and Labor, which offers individual country data of varying lengths for the period 1820-1906. This source should not be confused with the *Statistical Abstract of Foreign Countries*, published by the Board of Trade of Great Britain, which has been used for some years in the period 1820-1860 and yearly from 1865-1912. For the 20th century the main source used is the League of Nations' *Review of World Trade* available up to 1938 which offers data for 117 countries for the period 1928-1938 and 59 countries for 1920-1927. For the French colonies in America we used *Notices statistiques sur les colonies françaises 1842-1883* and the summary of the situation in the colonies presented in the *Annuarie Statitistique de la France* (1939). These compilations and original sources were contrasted and complemented by data offered by Mitchell, B.R. (2007) as a last resort. Finally, occasionally we used the Montevideo-Oxford Latin American Data Base (http://moxlad.fcs.edu.uy/en/references.html) which offers trade data and exchange rates of varying quality for the period 1900-1940 for 20 politically-independent Latin American countries.

We also used the recent independent estimations available for some important Latin American countries: Argentina: Ferreres, O. J. (2005) and Dieguez, H. L. (1972) and the recent Tena-Willebald (2013) estimation for 1870-1913; Brazil: Absell&Tena-Junguito (2014), IPEA Data (2009) and the recent estimation of for 1820-1913; Canada: Historical statistics of Canada; Chile: Braun et al (2000); Costa Rica: León Saenz, J. (1997)*;* Colombia: Ocampo (1981) and GRECO (2002); Cuba: Schoonover, Ebba (1989), Zanetti (1976), Ministerio de Estado (1940); Guatemala, Honduras, El Salvador, Nicaragua: Schoonover, Ebba (1989); Mexico: Kunz (2002, 2007); Puerto Rico: Dietz (1985); Uruguay: Bonino-Tena-Willebald (2014), Finch, H. (1971), Baptista-Bértola (unpublished); USA: Historical Statistiques, Millenium (2007) and the recent estimation offered by Federico-Tena (2014); Venezuela:

Babtista, Asdrubal (1997); West Indies: Danson, J.T. (1849). Details of estimations for every country and mention of the extrapolated years are included in Appendix.

Whenever available, we deflate current price series with price indexes from polity-specific sources (from some of the authors just mentioned, see also Appendix). If such indexes are not available, either for the whole period or for part of it, we compute polity-specific Paasche or Laspeyres indexes with British prices from Sauerbeck and the UK price import records (when we have both we use Fisher cf. for details see Appendix 3 Federico-Tena (2014)). Data on the composition of imports and exports were collected from national trade sources, British and French colonial statistics already mentioned (including Macgregor's (1850) compilation of commercial statistics for the 1830s and 1840s from Board of Trade data). We proxy "world" prices with British ones, using for (most) primary products the London market prices from Sauerbeck and manufactures from British official export declared values and for the years previous to 1850 we use the Philadelphia prices offered in Gayer, A.D., W.W. Rostow, and A.J. Schwartz (1953). Finally we adjust the international prices in London and Philadelphia to Latin American borders using freight rates series for some significant products in the period (details of the freights used for every country is in the Appendix).

Series were estimated for every country or territory in the American continent on yearly bases in national or metropolis currency and converted first into pounds (because we deflate mainly with British prices) and finally presented in current and constant dollars. We take exchange rates from country-specific sources or contemporary international compilations, such as the Statistisches Jahrbuch or the League of Nations (1939). The handy, but often flawed, data from Global Financial Data (www.globalfinance.com) are only used as a last resort. Current and constant export figures by country and region are presented in five-year dollar averages in Appendix. Thus we have an independent export price index for most of the polities included in this study. This is a huge improvement on previous estimations of Latin American exports and imports in constant prices which tended to rely on the use of the general British import price indices as a deflator (see Bulmer-Thomas (1995, 2003, 2012), Prados de la Escosura (2007) or Bertola-Ocampo (2012)).