

Index

- absolute cost advantage 127, 130
absolute poverty 245–7
accumulability 170–4
 see also capital accumulation
Acemoglu, Johnson, and Robinson
 (AJR) (2001, 2002) 83–6,
 203–4
advanced countries, terminology 3
Africa
 agricultural policies 395–6
 agricultural production 378–81
 basic skills education 326–8
 COVID-19 crisis 368–74
 migration flows 306
 population trends 287–9, 293
 the slave trade and geographical
 economics 435–6
 urbanization in 414–15
 see also Middle East & North
 Africa (MNA); Sub-Saharan
 Africa (SSA)
agglomeration economies 410–13
 and development 428–9
 geographical economics 423–4
 transport costs 433–8, 444–6
 see also urbanization
agglomeration rents 411
agricultural land area 5–7
the Agricultural Revolution 60–1,
 403
agriculture
 ancestry and years of agriculture
 82–93
 biogeography and income 69–71
 cereal crop production and yield
 380–1
 and development 377–8, 381–3
 domesticable animals 64–6
 employment 378–81
 farmer power 62–4
 geographical economics 429–32
 historical perspective 383–5
 Lewis model of development
 385–9
 North–South or East–West 67–9
 and per capita income 171–2
 policies 393–6
 technological development in
 393
 air quality 494–5
 Alonso-Muth-Mills model 405–9
 America *see* United States
 Andreoni and Levinson model
 488–92, 508
 Apple iPad case study 114–15
 arbitrage 210–12
 Archean 56–7
 Argentina, inflation rates 219–20
 Asia
 agricultural production 378–81
 population trends 287–9
 see also East Asia and Pacific
 (EAP); South Asia (SAS)
 Asian Development Bank (ADB)
 228–31
 ask rate 209–10
 asset ownership
 economic lives of the poor 274
 interest rate parity 214–20
 natural resource curse 498–504
 astronomical history of Earth 55
 Atlas method, Foreign Direct
 Investment 233–4
 autarky 133–6, 459–60, 480
 autocorrelation 44
 average (statistics) 29–31
Bachelor education
 country comparison 317–18
 gender gap 321
 quality of university education
 322–5
Banerjee, Abhijit 235–7, 271–2
Banerjee, Duflo, Glennerster and
 Kinnan (BDGK) (2015) 235–7
beggar-thy-neighbor policies
 224–5
bid rate 209–10
Big Bang 55
biogeography
 and economic development
 482–3
 and income 69–71
 see also geo-human interaction
birth rate 292–5
 demographic transition 289–92
brain malleability 314
Brakman, Steven 207
Brazil, as BRICS country 22–3
Bretton Woods 224–5
BRICS countries (Brazil, Russia,
 India, China, and South
 Africa) 22–3
Britain
 Glorious Revolution (1688) 189
 Gold Standard 222–3
 impact of World Wars on Gold
 Standard 223–4
 price wedge and trade flows
 110–12
 role in world trade 109–10
 trade restrictions 113–14
Building Institutions for Markets
 report 188
capital accumulation 156–61
 accumulability, rivalness, and
 excludability 170–4
 forward-looking behavior
 164–7
 Total Factor Productivity (TFP)
 167–70
capital controls, Argentina 219–20
capital flows
 exchange rate policy 221–2
 free trade 224–5
 waves of globalization 115–19
capital market integration 218–22
capital per worker 42–3
 see also human capital; income
 per capita
capital stocks
 forward-looking behavior
 164–7
 neoclassical model 156–8
 Solow model 491
 waves of globalization 115–16
capitalist sector, Lewis model of
 development 385–9, 396
carbon dioxide emissions 484–8,
 498

- carrying capacity 504
 causal relationships 47–8, 393
 see also regression
 Cenozoic 56–7
 Center for Systemic Peace (CSP) 202–3
 Central Business Districts (CBDs) 406–7
 cereal crop production 380–1
 cereal domestication 64
 Chamberlain, E. 146
 child mortality 358–61
 childhood development
 the biology of learning 314–15
 primary education 315–17, 326–8
 school access and attendance 340–1
 China
 arbitrage and currency manipulation 210–12
 as BRICS country 22–3
 cities in 404–5, 408–9
 COVID-19 crisis 366–8
 demographic dividend 302–3
 economic growth case study 179–82
 Economic Reform policies 415–16
 geographical economics 425–8, 433
 high-skilled vs. low-skilled wage rate 471–3
 income inequality in 264–9
 population pyramids 297
 population trends 287–9, 292–5
 reverse dividend 302
 under-urbanization and the Hukou system 416–20
 urbanization in 414–16, 418–20
 vertical FDI 466–70, 473–6
 cities
 agglomeration economies 410–13
 development of the largest cities 390–3
 historical perspective 401–4
 number of people living in cities 398, 413–16, 420
 spatial distributions 424–5
 spatial equilibrium 405–9
 terminology 399
 see also urbanization
 city size, and wages 410–13
 class size 335–6
 climate zones 75–7, 402–3
 climatic fluctuations (development of agriculture) 69
 closed-to-open economies 118–19
 Club of Rome 483–4
 Coase, Ronald 184–8
 Coase theorem 187–8
 Cobb-Douglas production function 471, 473–4
 colonization
 institutions and reversal of fortune 83–6
 migration flows since 1500 AD 88–91
 commodity prices 502–3
 common but differentiated responsibility 497–8
 communicable diseases 356–8
 comparative advantage
 and competitiveness 131–2
 factor abundance 132–8
 natural resource curse 498–504
 Pollution Haven Hypothesis 498
 technology 126–30
 comparative costs 130
 competitiveness *see* global competitiveness
 concave functions 332–3
 concave payoffs 332–5
 conflict
 French Revolution 443
 migration due to 304, 306–7
 Syrian refugees in Europe 308–11
 conservation 492–6
 see also sustainability
 consumer choice
 comparative advantage and price 128–9
 forward-looking behavior 164–7
 in monopolistic competition 144–7
 continuous scientific improvement 25–7
 contracts
 Nobel laureates 184–5
 role of institutions 188
 social cost and property rights 186–8
 convex functions 332–3
 convex payoffs 332–5
 core-periphery 433
 see also geographical economics
 corporations *see* firms;
 multinationals
 cost minimization 121–34, 433–8
 cost of living
 budget spent on food by poorest people 272–4
 most expensive cities 244–5
 poverty 244–7
 covered interest parity condition 216
 COVID-19 crisis
 death rate 368–9
 as disease 366
 economic costs and poverty 369–71
 spread of the virus 366–8
 teleworkability 371–2
 credit
 economic lives of the poor 275–6
 microfinance 235–7
 trade finance 228–31
 crowding-out 235
 crude birth rate 290
 crude death rate 290
 cultural globalization 98
 cumulative causation 431
 cumulative distribution function (cdf) 32–3
 currencies
 arbitrage and currency manipulation 210–12
 function of international currencies 231–3
 international currency symbols 208
 par value 224–5
 see also exchange rates
 data
 cause and effect 47–8
 hypothesis testing 40–3
 income inequality 249–52, 256–7
 income per capita 34–8
 inequalities 241–2
 natural experiments 48–50
 omitted variables and fixed effects 46–7
 randomized control trials 280–2
 Regression Discontinuity Design (RDD) 50–2
 regression problems 43–5
 regressions 39–41
 scientific improvement 25–7
 spatial scale issues 45–6
 statistics 29–34
 from theory to econometrics 38–9

- data sources 27–8
- death rate *see* mortality rate
- Deaton, Angus 280–2
- deforestation 505–6
- demand curve
Dupuit triangles and the costs of
trade restrictions 177–8
heterogeneous firms 148–9
international trade 110–12
monopolistic competition
141–6
- demographic dividend 298–303
- demographic transition 289–92
1950–2050 for the world as a
whole 292–5
see also population
- Deng Xiaoping 180–1
- density
causal relationships 47–8
statistics 33–4, 36–7
- dependency ratios 290, 299–302
- desert climate 75–7
- developed countries
terminology 3
working hours 160–1
- developing countries, terminology 3
- development *see* economic
development; human
development
- deworming 361–4
- Diamond, Jared 54, 64–6, 69–71,
377
- diff-in-diff estimation 49–50
- disease, malaria example 77–82
see also health
- dispersion (statistics) 31–2
- distance in development 433–8
see also geographical economics
- distribution (statistics) 29–31,
33–4, 36–7
- division of labor
economic development 385
fragmented production
processes 104
- doctors per 1,000 people 352–4
- domesticable animals 64–6
- domestication 61–2, 64
see also the Agricultural
Revolution
- Dufló, Esther 271–2
- Dunning (1981) 234–5
- duopoly 142–4
- Dupuit triangles 177–8
- Dutch disease (natural resource
curse) 503
- earnings *see* income per capita;
wages
- Earth's history
life on Earth 56–7
a sense of time and space 55
see also historical context
- East Asia and Pacific (EAP) 3–9
- global income distribution
248–70
- income inequality 252–6
- international trade flows 122–6
- migration flows since 1500 AD
88–91
- overview of world regions 3–9
- poverty 245–6
- regional life expectancy 346–7
- econometrics
methodology and data 38–9
regressions 39–41
- Economic Atlas and Globe of
Complexity 28–9
- economic costs, COVID-19 crisis
369–71
- economic crises *see* financial crises
- economic development
by 1500 AD 82
and agriculture 377–8, 381–3
association with trade flows
121–2
and education 315–18
and the environment 483–9
geographical economics 432–3,
435–6
income inequality 252–6, 268–9
and institutions 188–91
Lewis model of development
385–9
and life expectancy 347–52
a longer-term perspective 105–7
multinationals and FDI 456–78
uneven distribution of economic
activity 398–9
and urbanization 390–3, 400–3
world income and trade since
1960 99–102
world trade and income per
capita since 1960 102–4
see also human development
- Economic Freedom Index (EFI)
193–200
- economic globalization 98
- economic growth
accumulability, rivalness, and
excludability 170–4
Argentina case study 219–20
- capital accumulation 156–61
China as case study 179–82
COVID-19 crisis 369–70
demographic dividend 302–3
Dupuit triangles and the costs of
trade restrictions 177–8
economic freedom and
institutions 196–200
and the environment 482–3
forward-looking behavior
164–7
globalization policy 118–19
human capital 161–4, 201–5
income inequality 253–5
income per capita 154–6,
242–65
and institutions 200–5
knowledge and endogenous
growth 175–6
limits to 483–4
Total Factor Productivity (TFP)
167–70
see also income per capita
- economic migration 304
- Edgeworth box 466–7
- education
and air pollution 494–5
the biology of learning 314–15
and development 315–18
economic lives of the poor 274,
276
effectiveness of policy measures
276–8
gender equality 260–1
gender gap 318–21
globalization and wages 257–8
importance of 313–14
quality of basic skills education
326–8
quality of university education
322–5
school meals provision 364–5
spatial equilibrium between
cities 407–9
a teaching model 329–35
tracking, peer effects, and
teacher incentives 335–9
World Bank's position on 340–1
- emerging markets, terminology 3
- employment
in agriculture 378–81
economic lives of the poor
275–6
Lewis model of development
385, 389

- employment (cont.)
 service sector 381–3
 spatial equilibrium between cities 407–9
 and urbanization 391
 enabling environment (global competitiveness) 19–23
 endogeneity 44–5
 endogenous growth 175–6
 entrepreneurship
 economic lives of the poor 275–6
 nature of the firm 186
 the environment
 biogeographic conditions and economic development 482–3
 and economic development 483–9
 first nature geography 433–8
 multilateral agreements 496–8
 multilateral environmental agreements 496–8
 scale, composition, and technology 489–92
 environmental degradation 483–9
 Environmental Kuznets Curve 486–92, 508–9
 equilibrium, stable vs. unstable 431, 446–7
 equity investment 233
 Europe
 agricultural production 378–81
 COVID-19 crisis 367–8
 demographic dividend 302
 migration flows 304–6
 population trends 287–9, 293–4
 Syrian refugees in 308–11
 Europe & Central Asia (ECA)
 income inequality 252–6
 international trade flows 122–6
 labor productivity and comparative advantage 127–30
 migration flows since 1500 AD 88–91
 overview of world regions 3–9
 regional life expectancy 346–7
 European Emissions Trading System (EU ETS) 498
 European Union (EU)
 agricultural policies 395
 intra-industry trade 138–40
 migration 117–18
 Syrian refugees 311
 evolution of humans 57–60
 ex ante firm productivity 455–7, 462
 ex ante probability density function 457–8, 461
 ex post losses 457–8
 exchange rate policy
 Bretton Woods 224–5
 current regimes 227–8
 floating rates 225–7
 Gold Standard 222–3
 main international monetary regimes 222
 policy trilemma 218–22, 226–7
 World Wars and 1930s recession 223–4
 exchange rates 207–12
 arbitrage and currency manipulation 210–12
 forward-looking markets 212–14
 interest rate parity 214–20
 excludability 170–4
 executive constraints 202–3
 exogeneity 44–5
 exogenous labor-augmenting technical change 158–9
 expected value (statistics) 29–31
 exporter premium 150–2
 exports
 China and the gravity equation 425–8, 433
 firm heterogeneity 450–4
 large trading nations 16–17
 natural resource curse 498–504
 relative to imports 17–19
 factor endowments 132–8
 factor price equalization 137–8, 466–7, 471–2
 family size 272
 farming *see* agriculture
 Fertile Crescent 61–2, 64, 67–71, 377, 403
 fertility rate 272
 financial crises
 Great Depression (1930s) 109–10, 223–4
 Great Recession (2009) 101, 182
 financial markets
 exchange rate policy trilemma 218–22, 226–7
 exchange rates 207–12
 forward-looking markets 212–14
 interest rate parity 214–20
 international currencies 231–3
 microfinance 235–7
 power of 207
 trade finance 228–31
 financing, sustainable
 development strategies 495–6
see also investment
 firm entry 457–65
 firm exit 457–8
 firms
 agglomeration economies 411–12
 firm size and trade finance 229–30
 heterogeneity and trade 147–52, 449–54
 horizontal FDI 234–5, 461–5
 Melitz model 454–61
 multinationals' impacts on local firms 235
 nature of the firm 185–6
 OLI (Ownership, Location, Internalization) framework 234–5
 vertical FDI and fragmentation 465–70
 vertical FDI and heterogeneous firms 473–6
 vertical FDI and wage inequality 467–73
see also multinationals
 first nature geography 433–8
 First World War
 exchange rate policy 223–4
 institutional arrangements 109–10
 fixed effects 46–7
 fixed exchange rates 218–22
 flexible exchange rates 218–22
 floating exchange rates 225–7
 current regimes 227–8
 food
 agricultural production 378–81
 budget spent on food by poorest people 272–4
 lack of as cause of death 356–8
 Lewis model of development 385
 school meals provision 364–5
 stunting, wasting, and height 355
 World Food Programme (WFP) 365–74
 forced migration 304, 306–7
 Foreign Direct Investment 233–5

- in China 182
- effects on destination market 235
- horizontal FDI 234–5, 461–5
- multinationals and development 456–78
- multinationals' role in 453–4
- reasons for investment 234–5
- vertical FDI and fragmentation 465–70
- vertical FDI and heterogeneous firms 473–6
- vertical FDI and wage inequality 467–73
- foreign exchange market 207–12, 227–8
 - see also* exchange rates
- foreign ownership premium 150–2
- forestry management 505–6
- forward exchange rate 213–14, 216–18
- forward-looking markets 212–14
- fragmented production processes 104
- free entry condition 457–8
- free-riding 496
- free trade, post-war 224–5
- French Revolution 443

- Gauss-Markov conditions 41, 43–4
- gender
 - regional life expectancy 344–7
 - sex ratio at birth 361
- gender equality 260–3
- gender equality index 260–3
- gender gap, education 318–21
- general-equilibrium effects 280
- generalized entropy (GE) 252
- geo-human interaction 73–4
 - ancestry 82–93
 - development by 1500 AD 82
 - institutions and reversal of fortune 83–6
 - malaria case study 77–82
 - migration flows since 1500 AD 88–91
 - population and income 74–9
 - selection effects 87–8
 - see also* sustainable development
- geographical economics 423–4
 - agglomeration and development 428–9
 - development 432–3, 435–6
 - example of 429–32
 - as field 423–4
 - first nature geography 433–8
 - second nature geography 433, 438–44
 - spatial distributions: Power Law / Zipf's Law 424–5, 432
 - spatial interaction: gravity equation 425–8, 432
 - transport costs and history 444–7
- geographical globalization 98
- geological history
 - life on Earth 56–7
 - a sense of time and space 55
- Germany
 - floating exchange rates 226
 - Treaty of Versailles 223–4
- Gini coefficient
 - comparison of inequality measures 264–8
 - global inequality 252–6
 - Lorenz curve 251–2
 - within-country inequality 256–7
- Glaeser, Porta, Lopez-de-Silanes, and Shleifer (GLPS) (2004) 200–5
- global competitiveness 19–23
 - BRICS countries 22–3
 - and comparative advantage 131–2
 - imperfect competition 140–4, 175–6
 - monopolistic competition 141–7
 - perfect competition 133–6, 175–6
 - relative scores 21–2
- globalization
 - capital and migration flows 115–19
 - in history 107–10
 - link to income inequality 252–6
 - meaning of 97–9
 - price wedge and trade flows 110–14
 - transport costs 447
 - wages 257–8
- Glorious Revolution (1688) 189
- gold market 225–7
- gold points 223
- Gold Standard 222–3
- golden rule of accumulation 157–60
- modified rule 165

- goods
 - Dupuit triangles and the costs of trade restrictions 177–8
 - exports relative to imports 17–19
 - fragmented production processes 104
 - intra-industry trade 138–40
 - labor productivity and comparative advantage 127–30
 - large trading nations 16–17
 - natural resource curse 498–504
 - non-renewable and renewable natural resources 504–6
- government bonds 115–19
- government size 194
- Grameen bank 235
- Granger causality 393
- grass species, the Agricultural Revolution 64
- gravity equation 425–8, 432
- the Great Convergence 447
- Great Depression (1930s)
 - exchange rate policy 223–4
 - institutional arrangements 109–10
- Great Recession (2009)
 - in China 182
 - world trade level 101
- Green Solow model 489–92, 509
- gross savings rates 173
- growth *see* economic growth
- growth rates 167–9, 509
- Grubel-Lloyd index 138–9

- Hadean 56–7
- Haiti, executive constraints 202–3
- hard-disk drives, supply chain 468–70
- Harris-Todaro model 392–3
- hazardous waste 496–7
- headquarter services 466, 473–4
- health
 - air quality 494–5
 - causes of death 356–8
 - child mortality 358–61
 - COVID-19 crisis 366–72
 - deworming treatment 361–4
 - economic lives of the poor 274, 276
 - infant mortality 358–61
 - life expectancy trends 343–4
 - malaria 77–82
 - maternal mortality 358–61
- health care 352–6

- Heckscher-Ohlin model/
 Heckscher-Ohlin-Samuelson
 (HOS) model 133, 136–8
 height, and poor health 355
 Heritage Foundation 198–9
 heterogeneity of firms 147–52,
 449–54, 458–61, 473–6
 heteroskedasticity 43–4
 highland climate 75–7
 histograms 36–7
 historical context
 the Agricultural Revolution
 60–1
 agriculture 383–5
 ancestry 82–93
 biogeography and income
 69–71
 development by 1500 AD 82
 domesticable animals 64–6
 farmer power 62–4
 the geography of population and
 income 74–9
 geography and transport costs
 444–7
 globalization 107–10
 Glorious Revolution (1688) 189
 human development 57–60
 income inequality 252–6, 268–9
 institutions and reversal of
 fortune 83–6
 life expectancy 350–2
 life on Earth 56–7
 long perspective 54–5, 71
 migration flows since 1500 AD
 88–91
 North–South or East–West 67–9
 selection effects 87–8
 a sense of time and space 55
 urbanization 401–4
 world population 285–6
 home market currency 232
 home-market effect 431–2
 Homo genus, evolution of 57–60
 horizontal FDI 234–5, 461–5
 household size 272
 Hukou system 416–18
 human capital
 economic growth 161–4, 201–5
 global competitiveness 19–23
 human development 239
 the Agricultural Revolution
 60–1
 evolution and spread of humans
 across the world 57–60
see also economic development
- human hunting 59–60
 human interaction 95
 hunter-gathering 59–60, 62–4, 377
 hypothesis testing 40–3
see also methodology
 hysteresis 446
- iceberg concept 444–6, 458–61
 immunization 360–1
 imperfect competition 140–4,
 175–6
 imports, relative to exports 17–19
 incidence rate, malaria 81–2
 income
 and biogeography 69–71
 domestic product or national
 income? 9–11
 the geography of population and
 income 74–9
 a longer-term perspective 105–7
 method for estimating income of
 countries 9
 natural resource curse 498–504
 purchasing power parity 11–13
 and trade flows 121–2
 world income and trade since
 1960 99–102
 world trade and income per
 capita since 1960 102–4
 income inequality
 in China 264–9
 declining global poverty 247–9
 development 252–6, 268–9
 measuring 249–52, 264–8
 statistics 241–2
 terminology 3
 vertical FDI 467–73
 within-country 247–9, 256–8,
 266–7
 income per capita
 agriculture and development
 381–3
 causes of death 356–8
 comparison of countries 154–6
 demographic dividend 302–3
 demographic transition 292
 economic growth 154–6,
 242–65
 and education 315–18, 326–8
 Environmental Kuznets Curve
 486–92, 508–9
 Foreign Direct Investment
 233–4
 gender equality 261–2
 geographical economics 435–6
- geography and population 74–9
 health care 352–6
 human capital 161–4
 and institutions 196–200
 institutions and reversal of
 fortune 83–6
 logarithm of 37–8
 methodology and data 13–15,
 34–8
 neoclassical growth model
 159–60
 regression analysis 42–3
 urbanization and development
 400–3, 416–18
 World Press Freedom Index
 192–3
 world trends 105–7
- India
 as BRICS country 22–3
 microfinance 235–7
 population trends 287–9, 295
 Power Law 424–5
 reverse dividend 302
 under-urbanization 419–20
 urbanization in 414–15
 industrial production
 geographical economics 429–32
 globalization in history 109–10
 Lewis model of development
 386–9
 and per capita income 171–2
 vertical FDI 466–70
- inequalities
 gender equality 260–3
 statistics 241–2
 terminology 3
 types of 241–2
 urbanization 420
see also income inequality
 infant mortality 290, 350–1,
 358–61
 inflation rates 219–20
 information, role of institutions
 188, 190
 infrastructure, economic lives of
 the poor 276
 injuries 356–8
 innovation
 global competitiveness 19–23
 knowledge and endogenous
 growth 175–6
 multinationals 453–4, 477–8
 role of institutions 190
see also entrepreneurship
 institutional globalization 98–9

- institutions
 barriers to trade 443–4
 definition 184–5
 and development 188–91
 Economic Freedom Index 193–6
 and economic growth 200–5
 geo-human interaction and reversal of fortune 83–6
 income per capita 196–200
 the (inverse) World Press Freedom Index 191–3
 natural resource curse 502–3
 nature of the firm 185–6
 Nobel laureates 184–5
 post-war 109–10
 social cost and property rights 186–8
- insurance, access to 276
- Integrated Network for Societal Conflict Research (INSCR) 202–3
- inter-regional trade flows 122–6
- interest rate parity 214–20
- interest rates
 Argentina case study 219–20
 economic lives of the poor 275–6
- intergenerational equity 497–8
- internally displaced persons 306–7
- international currencies 231–3
- International Energy Agency Atlas 28–9
- international migration *see* migration
- International Monetary Fund
 current exchange rate regimes 227–8
 establishment of 224–5
 floating exchange rates 226
 par value 224–5
- international trade
 agricultural policies 395
 capital and migration flows 115–19
 comparative advantage and competitiveness 131–2
 comparative advantage: factor abundance 132–8
 comparative advantage: technology 126–30
 factor price equalization 466–7
 geographical economics 429–32, 435–6
 globalization in history 107–10
- heterogeneous firms 147–52, 449–54, 458–61
- imperfect competition 140–4
- intra-industry 138–40
- large trading nations 16–17
- a longer-term perspective 105–7
- man-made barriers 438–44
- monopolistic competition 141–7
- multilateral environmental agreements 496–8
- multinationals and development 456–78
- open-ness to 121–2
- price wedge and trade flows 110–14
- productivity of firms 454–61
- rise of 15–19, 107–10
- size and direction of trade flows 122–6
- world income and trade since 1960 99–102
- world trade and income per capita since 1960 102–4
- world trade volume 99–100
- intra-industry trade 138–44
- intra-regional trade flows 122–6
- the (inverse) World Press Freedom Index 191–3
- investment
 FDI in China 182
 Foreign Direct Investment 233–5
 interest rate parity 214–20
 microfinance 235–7
 sustainable development 495–6
 trade finance 228–31
- iPad case study 114–15
- IPAT identity 485–6
- iso-elastic demand 455, 474
- Kaldor, Nicholas 154–6, 412
- Kenya
 deworming treatment 361–4
Poor Economics approach 278–9
 school meals, subsidized provision of 364–5
 a teaching model 329–35
 tracking, peer effects, and teacher incentives 335–9
- Kernel density 36–7, 242–3
- Keynes, John Maynard 224
- knowledge
 endogenous growth 175–6
 geographical globalization 98
- Köppen climate classification system 75–7
- Kremer, Michael 271, 278–9
- Krugman, Paul 257–8, 423–4, 429
- labor compensation 171–4
- labor market
 capital accumulation 156–61
 fragmentation and vertical FDI 465–70
 Lewis model of development 385–9
 migration flows 116–17
 trading equilibrium 136–8
 wage differences and FDI 467–73
see also employment
- labor mobility 444–7
- labor productivity
 comparative advantage 127–30
 factor abundance 132–8
- Lagrangean function 422
- land area
 and agricultural land area 5–7
 and population 4–13
- land transfer tax 51–2
- large trading nations 16–17
- Latin America & Caribbean (LAC)
 heterogeneous firms 150–2
 international trade flows 122–6
 migration flows in recent times 306
 migration flows since 1500 AD 88–91
 overview of world regions 3–9
 population trends 287–9, 293–4
 productivity distributions 462
 regional life expectancy 346–7
 reverse dividend 302
 urbanization in 414–15
- latitude, and income 74–9
- learning effects (a teaching model) 331–2
- learning, the biology of 314–15
- Lee Kuan Yew 78–9
- legal context
 multilateral environmental agreements 496–8
 Rule of Law 193–4, 443–4
- Lerner, Abba 134–5
- Lewis model of development 385–9
- life expectancy 106
 definition 290
 and development 347–52

- life expectancy (cont.)
 gender equality 260–1, 263
 infant mortality 290, 350–1, 358–61
 maternal mortality 358–61
 as measure of health 343–4
 regional 344–7
- life insurance 276
- life on Earth 56–7
see also historical context
- linear functions 332–3
- living costs *see* cost of living
- location choice
 geographical economics 406–7, 422, 432–3
 vertical FDI 474
- logarithmic scale 100–2
- long-run growth rate 242–65
- Lorenz curve 251–2
- love-of-variety effect 144–7
- Maddison, Angus 105–8, 242–65
- maize crops 380–1
- malaria 77–82
- mammals, domestication 64–6
- man-made (second nature)
 geography 438–44
- manufacturing *see* industrial production
- Mao Zedong 180–1
- marginal costs (MC) 141–3, 145–6, 148–9
- marginal revenue (MR) 141–3, 145–6
- marginal revenue curve 455
- market access 432
- market competition
 imperfect competition 140–4, 175–6
 monopolistic competition 141–7
 perfect competition 133–6, 175–6
 role of institutions 188–91
see also global competitiveness
- market efficiency 218–19
- market integration 111–14
- market openness 194
- markets
 economic globalization 98
 political globalization 99
- Marshall, Alfred 412
- Marshallian trilogy 412–13
- maternal mortality 358–61
- maternal, prenatal, and nutrition conditions (MPN) 356–8
- maximum sustainable yield 505
- McDonaldization 98
- mean logarithmic deviation (MLD) 252
- mean (statistics) 29–31
- median age 290
- median (statistics) 29–31
- Melitz, Marc 148, 449, 454–61
- Merger & Acquisition (M&A) 233–5
- Mesozoic 56–7
- methodology
 cause and effect 47–8
 data sources 27–8
 hypothesis testing 40–3
 income per capita 34–8
 natural experiments 48–50
 omitted variables and fixed effects 46–7
 Regression Discontinuity Design (RDD) 50–2
 regression problems 43–5
 regressions 39–41
 scientific improvement 25–7
 spatial scale issues 45–6
 statistics 29–34
 from theory to econometrics 38–9
- metropolitan area, definition 399
see also urbanization
- microfinance 235–7
- Middle East & North Africa (MNA) COVID-19 crisis 368–74
 international trade flows 122–6
 migration flows since 1500 AD 88–91
 overview of world regions 3–9
 regional life expectancy 346–7
- migration
 absolute numbers and waves of migration 304–5
 demographic transition 289–92
 development by 1500 AD 82
 geographical economics 444–7
 global trends 304–6
 refugees and internally displaced persons 306–7
 since 1500 AD 88–91
 Syrian refugees in Europe 308–11
 urbanization as driver 390–3, 400–19
 waves of globalization 115–19
- Millennium Development Goals (MDGs) 493
- mobile phones, use in data collection 28
- modified golden rule of accumulation 165
- monetary policy independence 221–2
see also exchange rate policy
- monopolistic competition 141–7
- mortality rate
 causes of death 356–8
 COVID-19 368–9
 demographic transition 289–92
 gender equality 260–1, 263
 institutions and European settlers 84–6
 malaria 81–2
 population trends 292–5
- multilateral environmental agreements 496–8
- multinationals
 characteristics of 453–4
 cultural globalization 98
 FDI and development 456–78
 heterogeneous firms 150
 impact on local firms 235
 institutional globalization 98–9
 location choice 474
 OLI (Ownership, Location, Internalization) framework 234–5
 productivity advantage 461–5
 trade finance 229–30
- multiple equilibria 431, 446–7
- Murphy's Law 43
- natural disasters, geographical economics 437–8
- natural experiments 48–50
- natural resource curse 498–504
- neo-liberalism 98–9
- neoclassical growth model 157–60, 163–4
- neoclassical production function 156–7
- net migration rate 290
- the Netherlands
 geographical economics and the Westerscheldetunnel 439–40
 role in world trade 108–9
 trade restrictions 113–14
- new economic geography 423–4
see also geographical economics
- Nigeria, executive constraints 202–3

- Nobel laureates, on institutions and contracts 184–5
- non-communicable diseases 356–8
- non-renewable resources 504–6
- North America (NAM)
 COVID-19 crisis 367–8
 international trade flows 122–6
 migration flows since 1500 AD 88–91
 overview of world regions 3–9
- North, Douglass 184–5
- North Korean economy 179–82
- Norway, natural resource curse 502–3
- nutrition
 budget spent on food by poorest people 272–4
 as cause of death 356–8
 school meals provision 364–5
 stunting, wasting, and height 355
- observation (data) 26
- occupations, economic lives of the poor 275–6
see also employment
- OECD Aid Database 28–9
- OECD countries
 agricultural sector 395
 global income distribution 248–70
 natural resource curse 498–504
 outsourcing 132
 regional life expectancy 346–7
- offshoring 465–73
- OLI (Ownership, Location, Internalization) framework 234–5
- omitted variable problem 46–7
- open-to-closed economies 118–19
- optimal pricing rule 459–60, 479–80
- Ordinary Least Squares (OLS) 39–41
 Gauss-Markov conditions 41
 hypothesis testing 40–3
 regression problems 43–5
 technical note 53
- outsourcing 132, 465–70
- Palaeozoic 56–7
- panel data 44–6
- Pangea 56–7
- par value 224–5
- Pareto's power law 409
- Particulate Matter (PM) 494–5
- payoffs (a teaching model) 332–5, 338–9
- pecuniary agglomeration economies 411–12
- peer effects, education 329–31, 335–9
- perfect competition 133–6
 capital accumulation 170–4
 rivalness 175–6
- perfect substitutes (interest rate parity) 214–20
- Phanerozoic 56–7
- physical capital 161–4, 170–4
- physical (first nature) geography 433–8
- physicians per 1,000 people 352–4
- piloting bias 280
- piracy, as barrier to trade 435–43
- plain vanilla instruments 213
- Plasmodium* 77–82
- polar climate 75–7
- policy
 agriculture 393–6
 geographical economics and remoteness 435–6, 439–40
 multilateral environmental agreements 496–8
 sustainable development 506–8
 urbanization 420–1
see also exchange rate policy
- policy trilemma 218–22, 226–7
- political globalization 99
- Polluter-Pays-Principle 497
- pollution 483–9
- pollution abatement
 Andreoni and Levinson model 488–92, 508
 Environmental Kuznets Curve 486–92
 European Emissions Trading System (EU ETS) 498
 Green Solow model 489–92
 multilateral environmental agreements 496
- Pollution Haven Hypothesis 498
- Poor Economics* approach 271–2, 282–3
 economic lives of the poor 272–6
 in Kenya 278–9
 randomized control trials 276–8
 randomized control trials:
 external validity 279–82
 randomized control trials:
 limitations 280–2
- population
 agriculture and development 381–3
 ancestry 82–93
 birth rate, death rate, and transition 292–5
 declining global poverty 247–9
 demographic dividend 298–303
 demographic transition 289–92
 development by 1500 AD 82
 the geography of population and income 74–9
 growth rate and income 102–4
 and land area 4–13
 main countries and regions 287–9
 migration flows since 1500 AD 88–91
 world population trends 284–7
- population pyramids 292–5
- portfolio investment 233
- Portugal, role in world trade 108
- potatoes, agricultural production 380–1
- poverty 244–7
 basic skills education 326–8
 COVID-19 crisis 369–71
 declining global poverty 247–9
 economic lives of the poor 272–6
 relative vs. absolute 246–7
 terminology 3
 types of 241–2
see also Poor Economics
 approach
- poverty line 245–7, 249
- Power Laws 409, 424–5
- Precautionary Principle 497
- prehistory
 human development 57–60
 life on Earth 56–7
 long perspective 54–5
 North-South or East-West 67–9
 a sense of time and space 55
- price
 factor price equalization 137–8, 466–7, 471–2
 geographical economics 432, 434–6
 heterogeneous firms 149–50, 458–61
 monopolistic competition 145–6
 natural resource curse 502–3
 optimal pricing rule 459–60, 479–80
 unit value isoquants 134–6

- price wedge 110–14
 primary education
 country comparison 315–17
 gender gap 318–20
 quality of basic skills education 326–8
 probability density function (pdf) 32–3, 36–7
 production
 eighteenth and nineteenth century 109–10
 fragmented production processes 104
 heterogeneous firms 147–52
 imperfect competition 140–4
 nature of the firm 185–6
 unit value isoquants 134–6
 production function
 agglomeration economies 412
 Cobb–Douglas 471, 473–4
 factor abundance 133
 neoclassical 156–7
 research and development (R&D) sector 176
 productivity
 comparative advantage and competitiveness 131–2
 horizontal FDI 461–5
 of labor 127–30, 132–8
 Melitz model 454–61
 Total Factor Productivity (TFP) 167–70, 478
 vertical FDI 473–6
 property rights
 Glorious Revolution (1688) 189
 role of institutions 188
 social cost 186–8
 protectionism 113–14
 Proterozoic 56–7
 purchasing power parity (PPP) 11–13
 economic lives of the poor 272
 and institutions 196–200
 poverty 245–7
 pure agglomeration economies 411–12
 Quaternary 57, 59–60
 randomization bias 280–1
 randomized control trials (RCTs)
 examining effectiveness of policy measures 276–8
 external validity 279–82
 limitations 280–2
 Poor Economics approach in Kenya 278–9
 and Regression Discontinuity Design 50–2
 range (statistics) 29–31
 rate of natural increase 290
 rational expectations (interest rate parity) 217–18
 real exchange rates 210–12
 real wage differences 304
 recessions *see* financial crises
 refugees 306–7
 Syrian refugees in Europe 308–11
 regional free trade agreements (RFTAs) 435–6
 regional life expectancy 344–7
 regression
 Economic Freedom Index 200
 economic growth and institutions 203–4
 hypothesis testing 40–3
 income and growth 242–3
 methodological problems 43–5
 Ordinary Least Squares (OLS) 41, 53
 testing a theory 39–41
 Regression Discontinuity Design (RDD) 50–2
 regulatory efficiency, Economic Freedom Index (EFI) 194
 relative poverty 246–7
 renewable resources 504–6
 research and development (R&D) sector
 knowledge and endogenous growth 175–6
 multinationals 453–4, 477–8
 reserve currency 232–3
 retirement age 298–9
 returns to scale 411–12
 reversal of fortune phenomenon 83–6, 203–4
 reverse dividend 302
 Ricardo, David 127, 138
 rice crops 380–1
 rival goods 173–4
 rivalness 170–4
 Romer, Paul 156, 174–6
 Rostow stages of development 384–5
 Rule of Law 193–4, 443–4
 rural income inequality, China 266–7
 Russia, as BRICS country 22–3
 savings rates 173
 scale 45–6
 school meals, subsidized provision of 364–5
 scientific improvement 25–7
 second nature geography 433, 438–44
 Second World War
 exchange rate policy 223–4
 institutional arrangements 109–10
 migration flows 117–18
 post-war international economic order 224–5
 waves of globalization 112–13
 secondary education
 country comparison 317
 gender gap 320–1
 selection bias 277–8
 selection effects 87–8
 services
 employment 381–3
 large trading nations 16–17
 and per capita income 171–2
 sex ratio at birth 361
 simple efficiency hypothesis 218–19
 simultaneity 44–5
 Singapore, income per capita 78–9
 skewness (statistics) 31–2
 the slave trade 437–8
 slums, in urban areas 391–2
 smartphones, use in data collection 28
 Smithsonian agreement 226
 social cost 186–8
 social distancing (COVID-19) 366–8, 371–2
 Solar System 55
 Solow model 489–92, 509
 Somali pirates 435–43
 South Africa, as BRICS country 22–3
 South Asia (SAS)
 COVID-19 crisis 368–74
 global income distribution 248–70
 income inequality 252–6
 international trade flows 122–6
 migration flows since 1500 AD 88–91
 overview of world regions 3–9
 poverty 245–6
 regional life expectancy 346–7
 South Korean economy 179–82

- Spanish Flu 368
 spatial equilibrium 405–9
 spot exchange rate 208–9, 213–14, 216–18
 standard deviation (statistics) 31–2
 state history 82–93
 statistics 29–34
 see also data
 Stigler, George 187–8
 stunting 355
 Sub-Saharan Africa (SSA)
 demographic dividend 302–3
 global income distribution 248–70
 income inequality 252–6
 international trade flows 122–6
 migration flows since 1500 AD 88–91
 overview of world regions 3–9
 poverty 245–6
 regional life expectancy 346–7
 urbanization in 414–15
 Subrahmanyam, Reddy 235
 subsidies
 agricultural 395
 regional development 49–50
 school meals 364–5
 supply chains
 fragmentation and vertical FDI 465–70
 hard-disk drives example 468–70
 supply curves 44, 110–12
 sustainability
 biogeographic conditions and economic development 482–3
 as field 506–7
 multilateral environmental agreements 496–8
 scale, composition, and technology 489–92
 sustainable development
 as challenge 506–8
 investment in 495–6
 natural resource curse 498–504
 non-renewable and renewable resources 504–6
 and urbanization 420
 Sustainable Development Goals (SDGs) 492–6
 swaptions 213
 synapses 314
 Syrian refugees in Europe 308–11
 Taiwan, executive constraints 202–3
 tariffs
 agricultural 395
 China as case study 179–82
 Dupuit triangles and the costs of trade restrictions 177–8
 on international trade 18–19, 122
 open-to-closed and closed-to-open economies 118–19
 protectionism 113–14
 teacher incentives, education 335–9
 teaching model, Kenya 329–35
 technological change
 in agriculture 393
 comparative advantage 126–30
 data collection 28
 factor endowments 132–8
 knowledge and endogenous growth 175–6
 neoclassical growth model 158–9
 scale, composition, and the environment 489–92
 and urbanization 420
 teleworkability 371–2
 temperate climate 75–7
 temperate zone 402–3
 Tertiary 57
 Theil index 252
 Tomahawk diagram 444–6
 Total Factor Productivity (TFP) 167–70, 478
 tracking, in education 329–39
 trade finance 228–31
 trade growth rate 101–2
 see also international trade
 trading equilibrium 136–8
 transaction costs 185–8
 transfer principle 250
 Transnational Land Database 28–9
 transport costs
 distance in development 433–8
 in geographical economics 429–32, 435
 the gravity equation 426–7
 historical context 446–7
 spatial equilibrium within cities 406–7, 422
 Tomahawk diagram 444–6
 and trade flows 112–13
 travel, geographical globalization 98
 Treaty of Versailles 223–4
 triangular arbitrage 210–11
 tropical climate 75–7
 malaria 77–82
 urban agglomerations 402–3
 Trump, Donald, and currency manipulation 210–12
 UN Comtrade Database 28–9
 UN Refugee Agency 306–7
 uncertainty, in statistics 32–3
 uncovered interest rate parity condition 217, 221
 UNDP Human Development Index 28–9
 unit of analysis 278
 unit value isoquants 134–6
 United Kingdom *see* Britain
 United States
 firm heterogeneity in trade 450–4
 floating exchange rates 226
 globalization and wages 257–8
 high-skilled vs. low-skilled wage rate 471–3
 labor productivity and comparative advantage 127–30
 migration flows 117–18, 305–6
 post-war international economic order 224–5
 price wedge and trade flows 110–12
 vertical FDI 466–70, 473–6
 university education
 country comparison 317–18
 gender gap 321
 quality of 322–5
 Uppsala Conflict Data Program 28–9
 urban agglomeration, definition 399, 402–3
 urban bias 394
 urban economics 398–9
 urban income inequality, China 266–7
 urbanization
 agglomeration economies 410–13
 China 418–20
 and development 390–3, 400–3
 development of the largest cities 390–3
 5,000 years of urban development 401–4

- urbanization (cont.)
 - global urbanization since 1960 413–16
 - income per capita 416–18
 - India 418–20
 - meaning of 399–400
 - number of people living in cities 398
 - policy implications 420–1
 - service sector 381–3
 - spatial equilibrium 405–9
 - uneven distribution of economic activity 398–9
- vaccination 360–1
- value-added, iPad case study 114–15
- van Marrewijk, Charles 207
- variance (statistics) 31–2
- vehicle currencies 231–2
- Venice, role in world trade 107–8
- vertical FDI 234–5
 - empirical evidence for 475–6
 - and fragmentation 465–70
 - heterogeneous firms 473–6
 - profit function 480–1
 - wage inequality 467–73
- wages
 - agglomeration and development 428–9
 - agglomeration economies 410–13
 - comparative advantage 127–32
 - economic lives of the poor 275
 - globalization and American wages 257–8
 - Lewis model of development 386–9
 - migration flows 116–17
 - multinationals and development 456–78
 - perfect competition 133–6
 - vertical FDI and wage inequality 467–73
- war
 - French Revolution 443
 - migration due to 304, 306–7
 - Syrian refugees in Europe 308–11
- Washington Consensus 98–9
- waste, as environmental problem 496–7
- wasting 355
- Westerscheldetunnel, the Netherlands 439–40
- wheat crops 380–1
- working at home 371–2
- working hours 160–1
- World Bank
 - basic skills education 326–8
 - education's role in development 340–1
 - establishment of 224–5
 - World Bank Doing Business Database 28–9
 - World Bank regions 3–9
 - international trade flows 122–6
 - migration flows since 1500 AD 88–91
 - World Development Indicators (WDI) 4–5
 - World Development Report* 188, 268–9
 - World Food Programme (WFP) 365–74
 - World Health Organization (WHO)
 - COVID-19 spread 366–8
 - malaria 81–2
 - World Income Inequality Database (WIID) 264
 - world income level 99–102, 106
 - World Press Freedom Index 191–3
 - world trade volume 99–100
 - see also* international trade
 - years of agriculture 82–93
 - yield
 - cereal crop production and yield 380–1
 - maximum sustainable yield 505
 - Yunus, Mohammed 190, 235
 - Zipf's Law 409, 424–5, 432