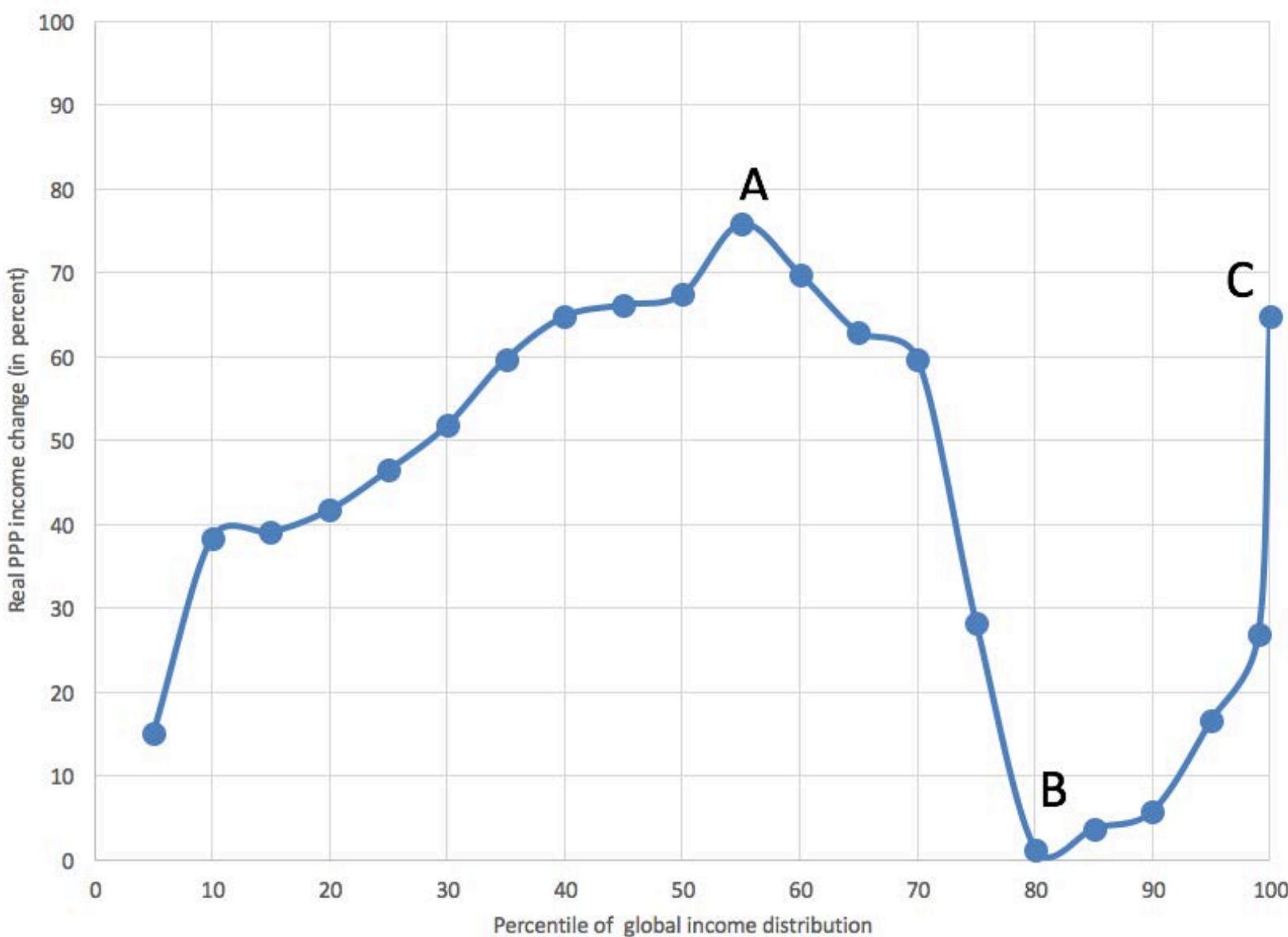


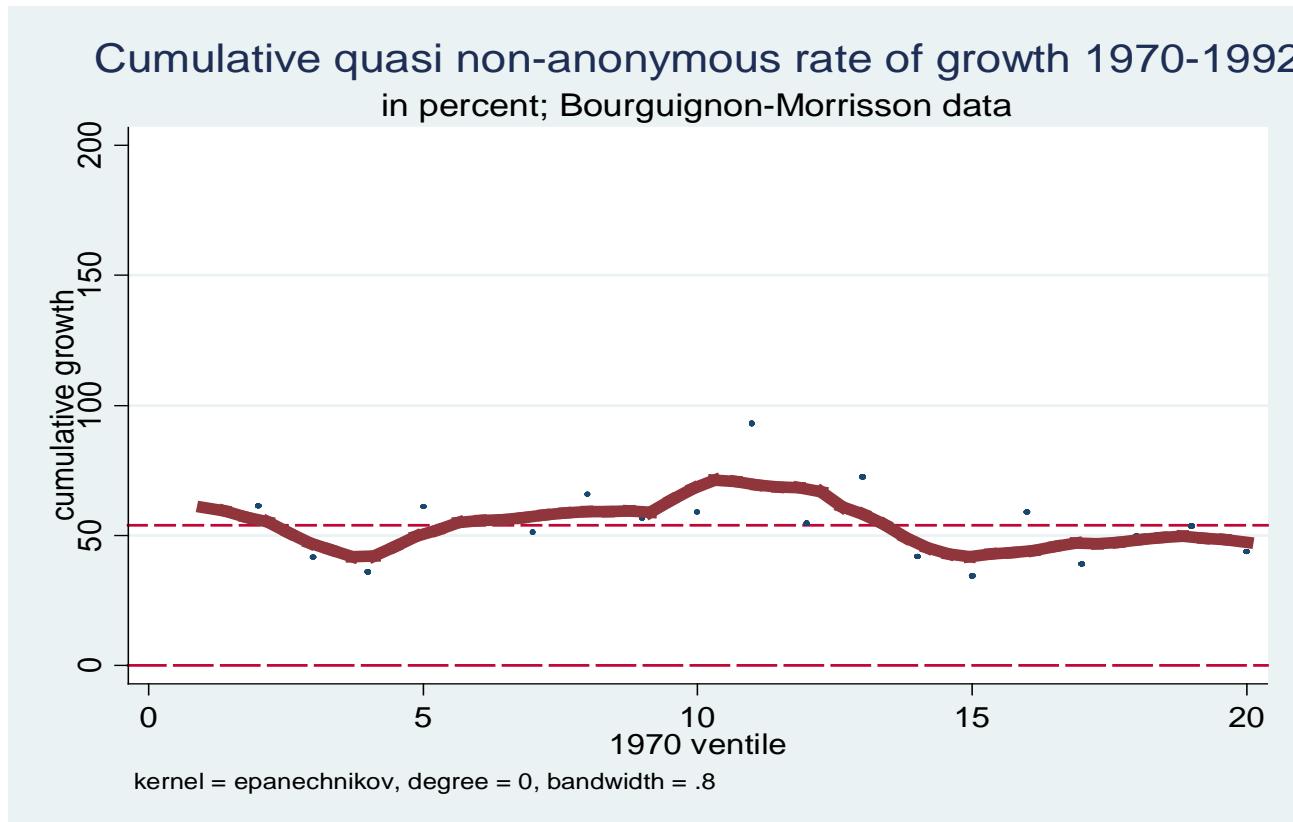
After the Elephant Curve

Paul Krugman

Milanovic “elephant graph”: Change in real income, 1988-2008

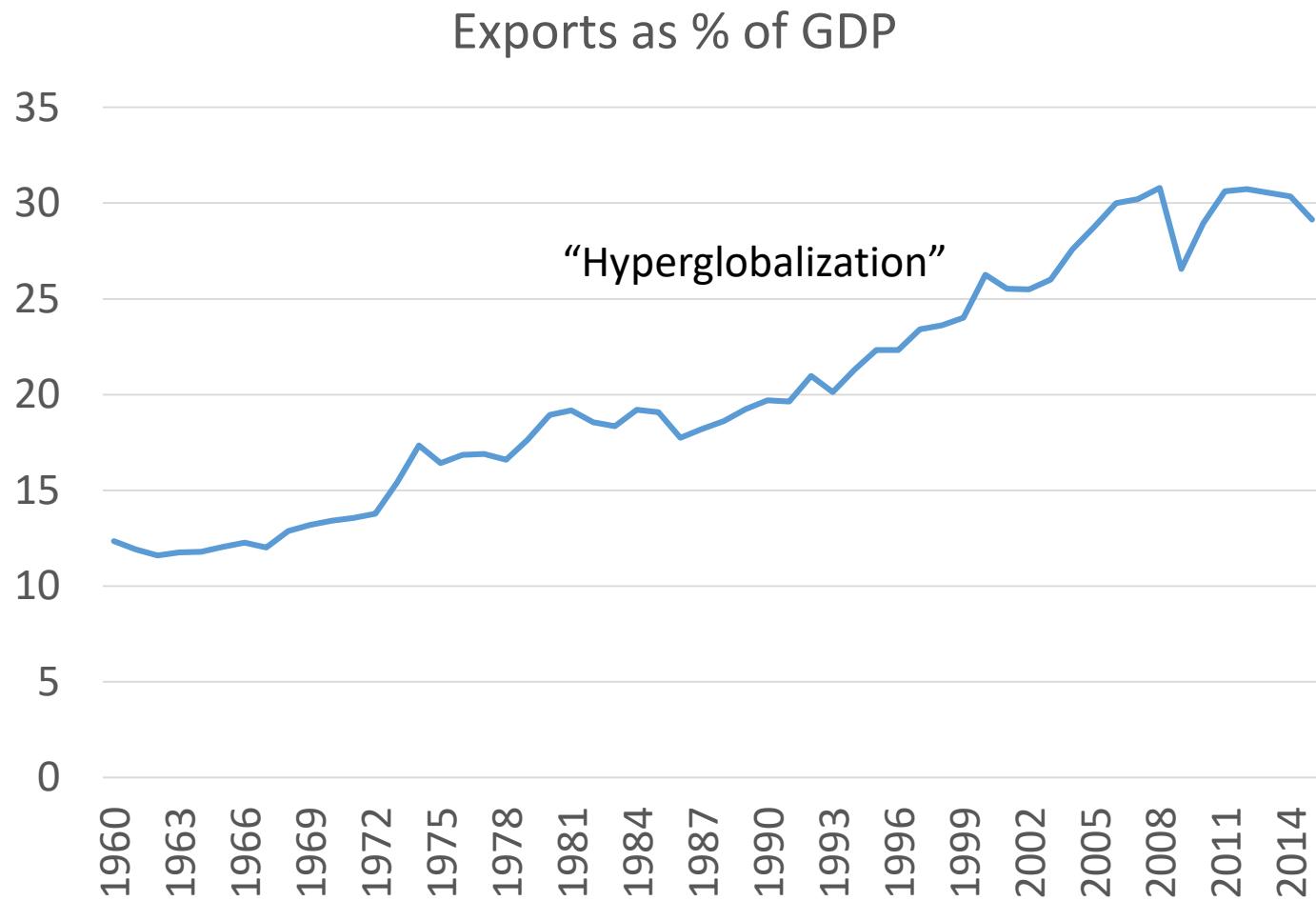


It was not always thus!



Nonanonm_growth.do usinf b_mdata.dta in data_central

Elephant graph era = hyperglobalization era?



Is the elephant curve Stolper-Samuelson in action?

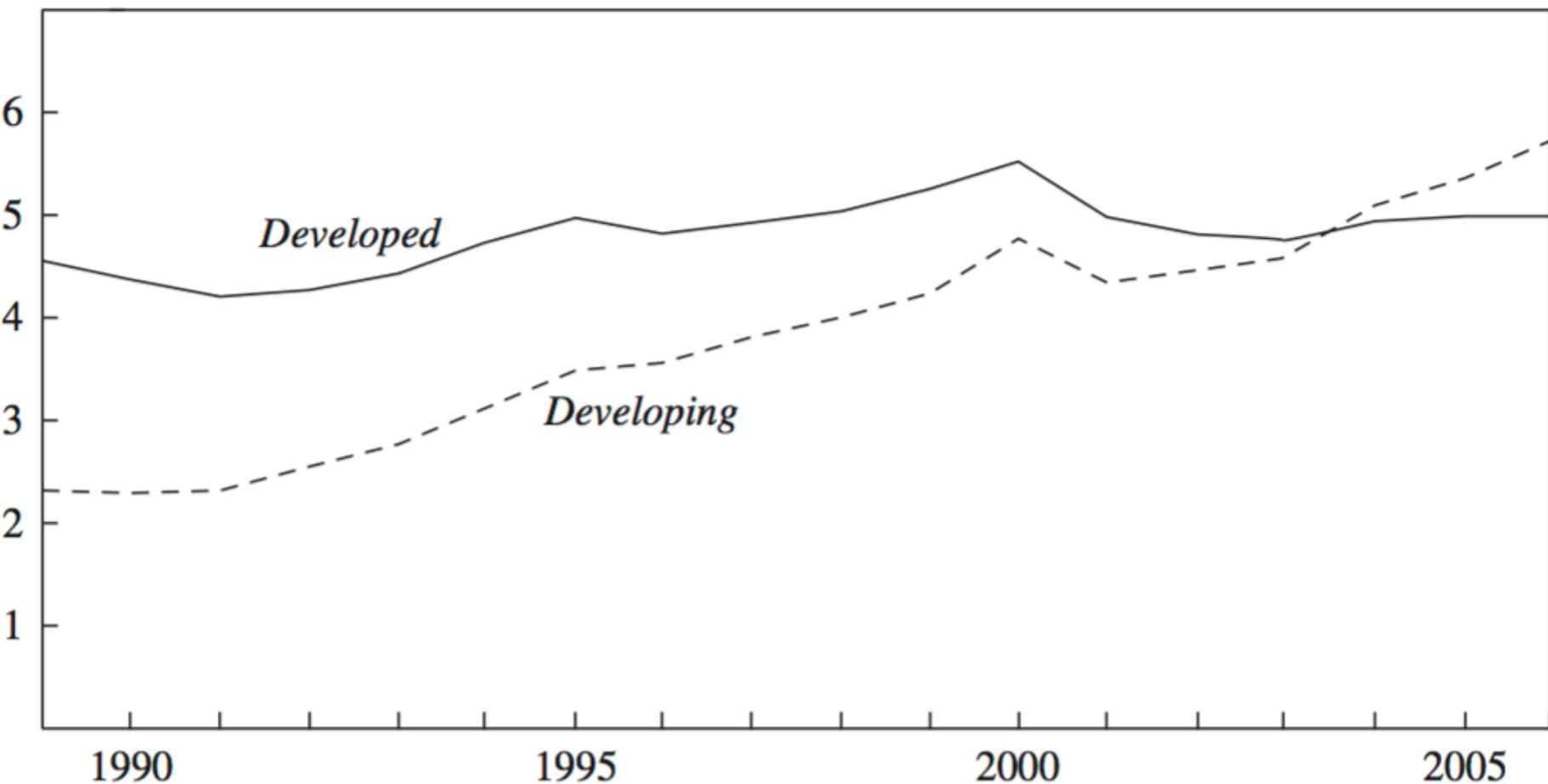
Three usual objections:

1. Quantitative: trade wasn't big enough
2. One percent story in advanced countries
3. Income distribution in developing countries

Some of these objections don't seem as forceful as they once were

Figure 1. Imports of Manufactures from Developed and Developing Countries, 1989–2006

Percent of GDP



Mexico: Gini

