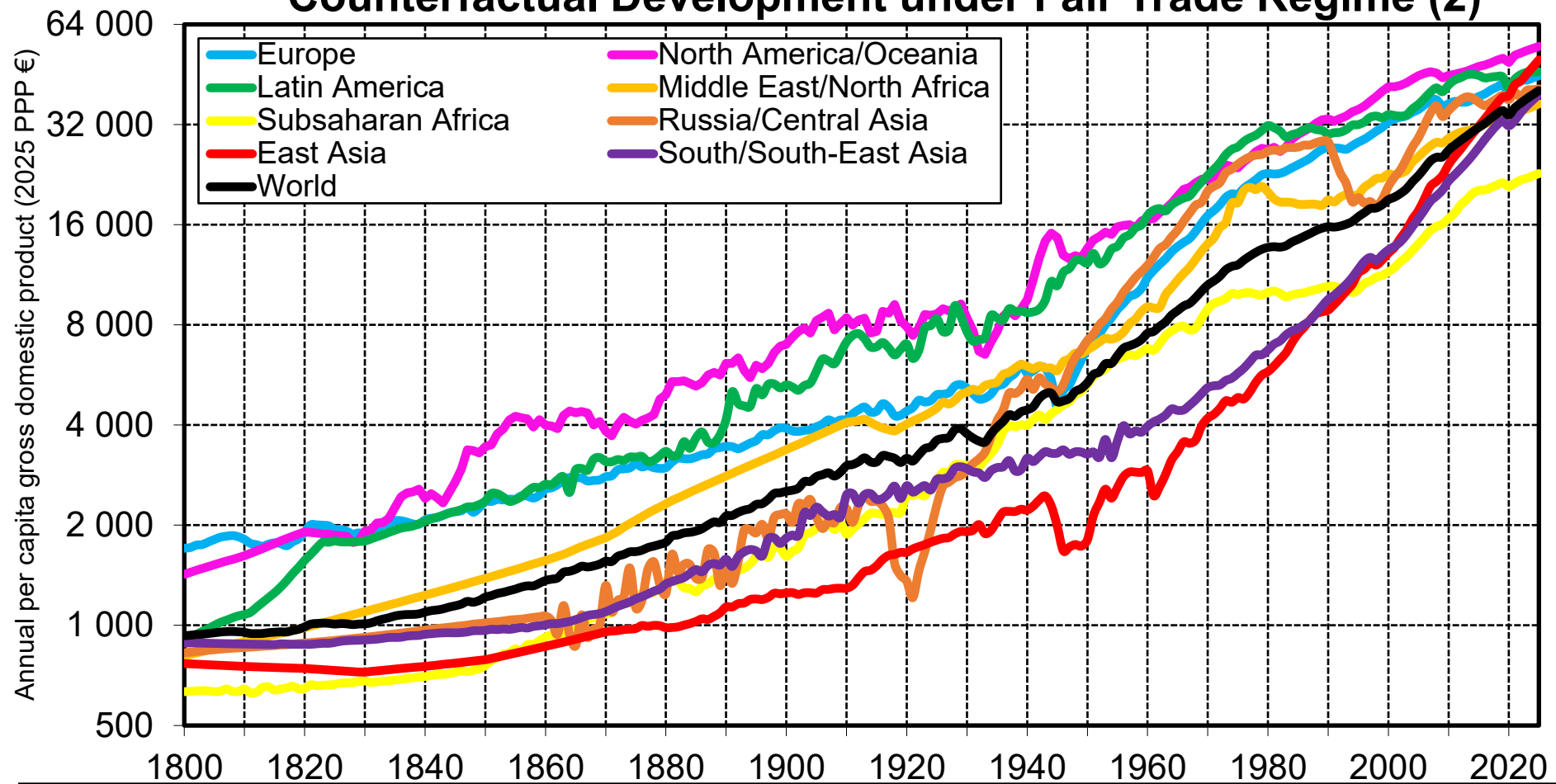


Counterfactual Development under Fair Trade Regime (2)



Interpretation. Average per capita GDP at the world level could be even larger in 2025 (and inequality between world regions even smaller) if we further assume better terms of exchange for poor countries throughout the 1800-2025 period (+30% in terms of exchange for countries with per capita GDP lower than 70% of world average, for instance via a Global Clearing Union and/or Common Currency). The bottom line is that different power relations, institutions and trade rules can have a major impact on comparative development. **Sources and series:** see wid.world