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REVIEWS OF DATASETS

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Indices of Trade Partner Concentration for 183 Countries

Review of: Indices of Trade Partner Concentration for 183 Countries, 1980-2008

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Repository: World-Historical Dataverse: <http://www.dataverse.pitt.edu>, The Archive > JWSR > “Indices of Trade Partner Concentration”

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One of the challenges faced by researchers attempting to use a world-systemic approach is the difficulty of gathering reliable data for all (or at least a large number of) countries of the world over a long period of time. Clearly, for many key economic and other measures, it is impossible to find acceptable data for periods before the 1950s if not later, and even recent data poses serious validity and reliability issues.

Nevertheless, work to explain how global-level processes affect regional, national and localized outcomes requires systematic effort to compile this kind of data into usable forms. The database on trade partner concentration provided by Salvatore Babones and Robin Farabee-Siers provides both a foundation for further research and a model for others hoping to shape a larger project advance empirical research on global and historical processes.

Babones and Farabee-Siers build upon other work in the world-systems tradition, arguing that trade concentration is one potential indicator of multifaceted phenomena of “globalization” and “dependency.” Despite the importance of the patterns of trade concentration, relatively few scholars have been able to conduct large-scale systematic research on many countries over significant time periods. As is true for many economic and social indicators, collecting evidence on trade concentration is both costly and daunting. Researchers must decide whether to disaggregate export and import data and how to address inconsistencies in national reporting practices, how to deal with changing national boundaries, among other data management issues. Because of the costs and difficulties of collecting these sorts of measures, many researchers use limited sets of indicators in their attempts to model world-level effects.

Concentration in a country’s trade relations tells us more than the commonly used indicators of overall trade or gross imports or exports, since it shows the extent to which the production and consumption of one country is vulnerable to changes in other countries. Clearly, countries with many trade partners are less vulnerable than those with few partners to disruptions or to pressures from particular trade partners. Trade concentration thus affects market dynamics and relationships among countries in crucial ways. Moreover, world-systems and dependency theories contend that trade relationships are crucial factors in world-system dynamics, arguing that historical patterns of colonialism have placed countries of the global South in a perpetually peripheral relationship to early-industrializing, “core” countries. Thus, our ability to gain greater understandings of how trade flows are related to other world-level processes will contribute to theory development while helping us better anticipate future trajectories.

The trade concentration database draws from the International Monetary Fund's Direction of Trade Statistics (DOTS) database to compile seven indices of export, import, and trade partner concentration for 183 countries with readily available data for the years 1980-2008. Indices one through five capture, respectively, the percentage of trade/exports/imports going to the country’s top 1 to 5 destinations or source countries. Two other indices are based on models developed by Hirschman (1945) and Herfindahl (1950). The details of data preparation and index construction and a summary of the overall patterns can be found in the research note Babones and Farabee-Siers contributed to the *Journal of World-Systems Research*.

The trade concentration dataset is available in Excel format, and is separated into four files containing total trade, export, and import data, with a separate worksheet for each year between 1980 and 2008. Each country record includes aggregate trade measures and seven different indices. An additional file provides their analysis of U.S., Canada, and Mexico trade patterns over this same time period. The *JWSR* research note cited above provides extensive detail on how the indices were compiled and other data compilation details.

In that research note, the authors also demonstrate how these indices can be used, providing an illustration of how the introduction of the North American Free Trade Agreement affected trade concentration in that region. That analysis shows that NAFTA had a greater impact on Canada's than it did on Mexico's export concentration, while having no discernible effect on U.S. import concentration. This limited investigation suggests that much more can be done with this database to revisit earlier analyses of trade patterns to discern how variations in trade partner concentration affect and are affected by other global processes.

The World Historical Dataverse provides a platform that can help researchers by allowing for a sharing of labor-intensive databases that few researchers on their own would have the capacity to collect. Often, particular measures contribute only slightly to the theoretical content of a paper, and thus the costs of collecting the data make it impractical to include them in a given study. As technology makes data collection and sharing easier and more feasible, it is hoped that more scholars will follow the lead of these scholars and contribute to our collective learning by allowing others to extend and build upon their work.

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