

The World Economy in the Twentieth Century

Economics 115
Spring 2016
Tuesday & Thursday, 12:30-2:00 p.m.
159 Mulford

Barry Eichengreen
Department of Economics
University of California, Berkeley

Syllabus and Reading List

Economics 115 is an upper division course for undergraduates. Economic concepts, where used, are developed from first principles, although students who have taken Intermediate Macroeconomics and Microeconomics will find the material most accessible. Some knowledge of International Economics is also helpful. Class meets three hours a week, section one hour a week.

Learning Goals for Economics Students. This course will stress the Economics Department's first and fourth learning goals (Critical Thinking Skills and Specialized Knowledge and Problem-solving Skills). For details on learning goals see http://emlab.berkeley.edu/econ/ugrad/ugrad_goals.shtml

In Lieu of Handouts. This syllabus, midterms, and the final are the only materials that will be distributed in class. All other materials will be available exclusively on the Economics 115 course site on bCourses.

Announcements. All announcements about the course (changes in schedule, availability of posted material, links to additional readings, deadlines for assignments) will be posted to bCourses. Set your alerts accordingly.

Office Hours. The instructor's office hours are Tuesdays and Thursdays, 2:30-3:30 p.m., 605 Evans Hall. Email Cheryl Applewood (capplewood@berkeley.edu) to make an appointment.

Graduate Student Instructors.

- Erik Johnson eajohnson@berkeley.edu
- Ganesh Viswanath Natraj ganesh.viswanath@berkeley.edu

Admission. By Department policy, you must attend your first section meeting or your space in this course will be given to another student. The instructor and GSIs do not have the power to admit students (or to readmit you if you are dropped). Students seeking admission should consult the following website for instructions: <http://emlab.berkeley.edu/econ/ugrad/enrollmentproc.shtml>.

Economics Department policies and not your instructor and GSIs determine admission. Please don't ask your instructor and GSIs to admit you, as this is not in their power.

Sections. Consult the online schedule of classes for the most up-to-date information.

Course text. The text for the course is Barry Eichengreen, *Globalizing Capital*, Second Edition (Princeton University Press, paperback, 2008, 2nd edition). It can be purchased from your favorite online bookseller. The book and reader are also on reserve at Moffitt.

Readings. Items with web links are accessible by linking to the UC Library. If you link through another computer that does not recognize your Calnet ID, you may not be able to access the material. Items not available on the web are on reserve at Moffitt Library.

Readers. *Only items that cannot be downloaded from the web are included in the reader.* Readers are available from Vick Copy (corner Euclid and Hearst).

A few items are not available in the reader or on the web because permission to reprint or link was denied. Copies of these items are on reserve at Moffitt Library.

Electronic Devices. This course has a no-electronic-devices-during-lecture policy. Laptops should be closed. Phones, pads, pods and other devices should be turned off and stowed in your pack/briefcase or under your chair.

Grades. Your grade will be based on one problem set handed out and collected in section (20% of your grade), two in-class midterms (20% of your grade apiece), and a final exam (40%). Your GSI can award extra credit points for active and informed interventions and questions in class and section.

Final Exam. The exam group for this course is 15. This means that the final exam will be administered on Thursday, 12 May 2016, 3:00-6:00 p.m.

Special Accommodation. If you require special accommodation due to disability, you should speak with your GSI at the beginning of the semester. You will need to provide documentation from the Disabled Students Program.

No make-up exams will be administered. Students should plan to take the midterms and final exam at the scheduled time. This is your notice that alternative times will not be possible; please don't request these later in the semester.

Any form of cheating will result in a grade of zero and the student being reported to the Office of Student Conduct.

Reading List

January 19: Introductory Meeting

Paul David, "Clio and the Economics of QWERTY," *American Economic Review Papers and Proceedings* 75: 2 (May 1985), pp. 332-337. <http://www.jstor.org/stable/1805621>

January 21: Modern Economic Growth

Dani Rodrik, "The Past, Present and Future of Economic Growth," in Franklin Allen et al., "Towards a Better Global Economy (Oxford University Press, 2014),
"<https://www.sss.ias.edu/faculty/rodrik/papers> .

January 26: Globalization at the Beginning and End of the Century

Guillaume Daudin, Matthias Morys and Kevin O'Rourke, "Globalization 1870-1914," in Stephen Broadberry and Kevin O'Rourke (eds), *The Cambridge Economic History of Modern Europe, Volume 2* (Cambridge 2010), pp. 6-29. On reserve at Moffitt. Also at http://www.economics.ox.ac.uk/materials/working_papers/paper395.pdf

January 28: Money and Capital Markets: Initial Conditions

Barry Eichengreen, *Globalizing Capital* (Princeton University Press 2008), chapter 2. On reserve at Moffitt.

February 2: Disintegration and Reconstruction of the Global Economy

Charles Feinstein, Peter Temin and Gianni Toniolo, *The European Economy Between the Wars* (Oxford University Press 1997), chapters 2, 3 and 5, pp. 18-53 and 84-102. On reserve at Moffitt.

February 4: Onset of the Great Depression

Jeremy Atack and Peter Passell, *A New Economic View of American History* (W.W. Norton, 1994), chapter 21, pp. 583-624. On reserve at Moffitt.

Charles Feinstein, Peter Temin and Gianni Toniolo, *The European Economy Between the Wars* (Oxford University Press 1997), chapter 6, "The Onset of the Great Depression," pp. 103-117. On reserve at Moffitt.

February 9: Course of the Great Depression

Barry Eichengreen, *Globalizing Capital* (Princeton University Press 2008), chapter 3. On reserve at Moffitt.

Christina D. Romer, "Lessons from the Great Depression for Policy Today," (Teach-In on the Great Depression and World War II, University of Oklahoma, March 11, 2013), elsa.berkeley.edu/~cromer/Lessons%20from%20the%20Great%20Depression%20for%20Policy%20Today%20Written.pdf

February 11: Recovery from the Great Depression

George Orwell, *The Road to Wigan Pier* (Victor Gollancz, 1937), Chapters 1, 3. <http://archive.org/details/roadtowiganpie00orwe>

Daniel Benjamin and Levis Kochin, "Searching for an Explanation for Unemployment in Interwar Britain," *Journal of Political Economy* 87:3 (1979), pp. 441-478, <http://www.jstor.org/stable/1832018>

February 16: Unemployment, War, Reconstruction and Growth

Taylor Jaworski and Price Fishback, "World War II," *Oxford Handbook of American Economic History* (2014), http://www2.warwick.ac.uk/fac/soc/economics/events/seminars-workshops-conferences/conferences/conf/world_war_handbook_2014.03.20.pdf

N.F.R Crafts, "The Great Boom, 1950-73," in Max-Stephan Schulze (ed.), *Western Europe: Economic and Social Change since 1945* (Longman 1999), chapter 4, pp. 42-62. On reserve at Moffitt.

February 18: Mid-term Exam

February 23: The Japanese Economic Miracle

David Flath, *The Japanese Economy* (Oxford University Press 2000), chapter 4, pp. 71-93. On reserve at Moffitt.

February 25: The Asian Miracle

James Riedel, "Economic Development in East Asia: Doing What Comes Naturally?" in Helen Hughes (ed), *Achieving Industrialization in East Asia*, (Cambridge University Press 1988), pp. 1-38. On reserve at Moffitt.

Dani Rodrik, "Getting Interventions Right: How South Korea and Taiwan Grew Rich," *Economic Policy* 20 (1995), pp. 55-107. <http://papers.nber.org/papers/w4964.pdf>

March 1: Rise and Fall of Bretton Woods

Barry Eichengreen, *Globalizing Capital* (Princeton University Press 2008), chapter 4. On reserve at Moffitt.

March 3: Regional Integration

Larry Neal and Daniel Barbezat, *The Economics of the European Union and the Economies of Europe* (Oxford University Press 1998), chapter 4, pp. 70-87. On reserve at Moffitt.

Siow Yue Chia, "The Emerging Regional Economic Integration Architecture in East Asia," *Asian Economic Papers* (Winter/Spring 2013), pp.1-37.

http://www.mitpressjournals.org/doi/abs/10.1162/ASEP_a_00179#.VJB8-WOa_Ck .

March 8: Decline and Fall of the Eastern Bloc

Robert Allen, "The Rise and Decline of the Soviet Economy," *Canadian Journal of Economics* 34:4 (2001), pp. 859-881. <http://www.jstor.org/stable/3131928>

March 10: The Transition from Plan to Market

Daniel Triesman, "The Political Economy of Change After Communism," in Anders Aslund and Simeon Djankov (eds), *The Great Rebirth: Lessons from the Victory of Capitalism Over Communism* (Peterson Institute of International Economics, 2015), pp.273-296, <http://bookstore.piie.com/book-store/6970.html> .

Simeon Djankov, "Russia's Economy under Putin: From Crony Capitalism to State Capitalism," Peterson Institute Policy Brief PB 15-18 (September 2015).

<https://www.piie.com/publications/pb/pb15-18.pdf>

March 15: Germany from Reunification to Growth

Joachim Ragnitz, "East Germany Today: Successes and Failures," *CESifo DICE Report* 7:4 (2009), pp. 51-58. <http://www.cesifo-group.de/pls/guestci/download/CESifo%20DICE%20Report%202009/CESifo%20DICE%20Report%204/2009/dicereport409-rm.pdf>

Christian Dustmann, Bernd Fitzenberger, Uta Schonberg and Alexandra Spitz-Oener, “From Sick Man of Europe to Economic Superstar: Germany’s Resurgent Economy,” *Journal of Economic Perspectives* (Winter 2014), pp.167-188, <https://www.aeaweb.org/articles.php?doi=10.1257/jep.28.1.167> .

March 17: China

Xiaodong Zhu, “Understanding China’s Growth: Past, Present and Future,” *Journal of Economic Perspectives* 26 (Fall 2012), pp.103-124, <https://www.aeaweb.org/articles.php?doi=10.1257/jep.26.4.103> .

Nicholas Lardy and Nicholas Borst, “A Blueprint for Rebalancing the Chinese Economy,” Policy Brief no. PB13-02, Washington, D.C.: Peterson Institute of International Economics (February 2013). <http://www.iie.com/publications/pb/pb13-2.pdf>

March 29: India

Louis Kuijs, “Economic Growth Patterns and Strategies in China and India: Past and Future, Fung Global Institute Working Paper 2012-2 (September 2012). <http://www.asiaglobalinstitute.hku.hk/en/working-paper-economic-growth-patterns-strategies-china-india-past-future/pdf/>

Dani Rodrik and Arvind Subraminaian, “From ‘Hindu Growth’ to Productivity Surge: The Mystery of the Indian Growth Transition,” NBER Working Paper no. 10376 (March 2004). <http://papers.nber.org/papers/w10376.pdf>

March 31: Africa

Paul Collier and Jan Willem Gunning, “Why Has Africa Grown Slowly?” *Journal of Economic Perspectives* (1999), pp. 3-22. [http://www.jstor.org/sici?sici=0895-3309\(199922\)13%3A3%3C3%3AWHAGS%3E2.0.CO%3B2-Q](http://www.jstor.org/sici?sici=0895-3309(199922)13%3A3%3C3%3AWHAGS%3E2.0.CO%3B2-Q)

Dani Rodrik, “An African Growth Miracle?” Paper written for Center for Global Development, Richard H. Sabot Lecture (2014) <https://www.sss.ias.edu/faculty/rodrik/papers> .

April 5: Latin America

Guillermo Ortiz, “The Challenges to Achieving Sustainable Growth in Latin America,” THINK TANK 20: Growth, Convergence and Income Distribution: The Road from the Brisbane G-20 Summit, Washington, D.C.: The Brookings Institution (November 2014). <http://www.brookings.edu/~media/Research/Files/Interactives/2014/thinktank20/chapters/tt20%20mexico%20growth%20challenges%20ortiz.pdf>

John H. Coatsworth, “Structures, Endowments, and Institutions in the Economic History of Latin America, *Latin American Research Review* 40 (2005), pp. 126-144. http://muse.jhu.edu/journals/latin_american_research_review/v040/40.3coatsworth.html

April 7: Second Midterm

April 12: The Arab Economies

Marcus Noland and Howard Pack, *The Arab Economies in a Changing World* (Peterson Institute for International Economics, 2007), chapter 2, pp.19-57. On reserve at Moffitt.

Adnan Mazarei and Tokhir Mirzeov, “Four Years after the Spring,” *Finance and Development* (June 2015), <http://www.imf.org/external/pubs/ft/fandd/2015/06/mazarei.htm> .

April 14: Japan’s Crisis

Edward J. Lincoln, “Japan’s Financial Problems,” *Brookings Papers on Economic Activity* (1998), pp. 347-385. <http://www.jstor.org/stable/pdfplus/2534697.pdf>

Ben S. Bernanke, “Japanese Monetary Policy: A Case of Self-Induced Paralysis?” in Ryoichi Mikitani and Adam S. Posen, eds., *Japan’s Financial Crisis and Its Parallels to U.S. Experience*, pp. 149-166 (Washington, D.C.: Institute for International Economics, 2000, <http://bookstore.piie.com/book-store/319.html>

April 19: From the Asian Crisis to the Global Crisis

Andrew Berg, “The Asian Crisis: Causes, Policy Responses and Outcomes,” IMF Working Paper no. 99/138 (October 1999). <http://www.imf.org/external/pubs/cat/longres.cfm?sk=3295.0>

Barry Eichengreen, *Globalizing Capital* (Princeton University Press 2008), chapters 5-6. On reserve at Moffitt.

April 21: Euro Crisis

Philip Lane, “The European Sovereign Debt Crisis,” *Journal of Economic Perspectives* 26 (Summer 2012), pp.49-68,
<https://www.aeaweb.org/articles.php?doi=10.1257/jep.26.3.49> .

April 26: Inequality and Secular Stagnation

Lawrence Summers, “Reflections on the ‘New Secular Stagnation Hypothesis’,” in Richard Baldwin and Coen Teulings (eds), *Secular Stagnation: Facts, Causes, and Cures*, London: CEPR Press (2014), pp.27-41. <http://www.voxeu.org/article/larry-summers-secular-stagnation>

Robert Gordon, “The Turtle’s Progress: Secular Stagnation Meets the Headwinds,” in Richard Baldwin and Coen Teulings (eds), *Secular Stagnation: Facts, Causes, and Cures*, London: CEPR Press (2014), pp.47-60.
http://www.voxeu.org/sites/default/files/Vox_secular_stagnation.pdf

April 28: A Review of the Semester’s Themes

Andrea Boltho and Gianni Toniolo, “The Assessment: The Twentieth Century,” *Oxford Review of Economic Policy* 15 (December 1999),
<http://oxrep.oxfordjournals.org/content/15/4.toc> .