

Topics in European Economic History

Economics 210B is being taught this fall by Barry Eichengreen in collaboration with Professor Marc Flandreau, who is visiting the Department of Economics and Institute for European Studies from Sciences Po and OFCE in Paris. Professor Eichengreen's office hours in Evans 605 are Wednesday 1-3. Professor Flandreau's office hours in Evans 607 are Tuesday 10-12. Appointments can be made in advance by contacting sibani michael bose at sibose@econ.berkeley.edu.

This course is for graduate students who have taken Economics 210A ("Introduction to Economic History"). It is devoted to a critical analysis of topics in European economic history that have been the subject of recent controversy and debate. Course requirements are three. First, attending course meetings and contributing actively to the discussion. Second, leading the discussion of a week's topic, introducing the readings, and offering a critical appraisal of the material. Third, completing in a term paper, on a topic previously agreed to with the instructors, due during exam week.

August 25. Introductory Meeting

September 1. University Holiday

September 8. British Industrialization

Maxine Berg and Pat Hudson (1990), "Rehabilitating the Industrial Revolution," *Economic History Review* 45, pp.24-50.

N.F.R. Crafts and C. Knick Harley (1992), "Output Growth and the Industrial Revolution: A Restatement of the Crafts-Harley View," *Economic History Review* 45, pp.703-730.

Peter Temin (1997), "Two Views of the British Industrial Revolution," *Journal of Economic History* 57, pp. 63-82.

N.F.R. Crafts and C. Knick Harley (2000), "Simulating the Two Views of the British Industrial Revolution," *Journal of Economic History* 60, pp.819-841, and response by Temin, pp.842-846.

September 15. France vs. Britain

Francois Crouzet (1990), "England and France in the 18th Century: A Comparative Analysis of Two Economic Growths," in Francois Couzet, *Britain Ascendant: Comparative Studies in Franco-British History*, Cambridge: Cambridge University Press, pp.12-43. [English edition]

Patrick O'Brien and Caglar Keyder (1978), *Economic Growth in Britain and France, 1780-1914*, London: G. Allen & Unwin.

N.F.R. Crafts (1984), "Economic Growth in France and Britain, 1830-1910: A Review of the Evidence," *Journal of Economic History* 44, pp.49-67.

September 22. Why Did the UK Defeat Napoleon: Institutions vs. Technology?

Larry Neal (2000), "How it All Began: The Monetary and Financial Architecture of Europe During the First Global Capital Markets, 1648-1815," *Financial History Review* 7, pp. 117-140.

Peter Rousseau (2003), "Historical Perspectives on Financial Development and Economic Growth," *Review* 85, St. Louis: Federal Reserve Bank of St. Louis, pp.81-106.

Michael Bordo and Eugene White (1991), "A Tale of Two Currencies," *Journal of Economic History* 51, pp. 303-316.

Peter Mathias and Patrick O'Brien (1976), "Taxation in Britain and France 1715-1810. A comparison of the social and economic consequences of taxes collected for the central governments," *Journal of European Economic History* 5, pp. 601-650.

September 29. Bimetallism

Angela Redish (1990), "The Evolution of the Gold Standard in England," *Journal of Economic History* 50, pp.789-806.

Milton Friedman (1990), "Bimetallism Revisited," *Journal of Economic Perspectives* 4, pp.85-104.

Marc Flandreau (1996), "The French Crime of 1873: An Essay on the Emergence of the International Gold Standard," *Journal of Economic History* 56, pp. 862-897.

S. Erik Oppers (2000), "A Model of the Bimetallic System," *Journal of Monetary Economics* 46, pp.517-534.

Marc Flandreau, (2002), "Water Seeks a Level: Bimetallic Exchange Rates and the Bimetallic Band," *Journal of Money, Credit and Banking* 34, pp. 491-519.

October 6. 19th Century Monetary Unions: National and International

[Monday is religious holiday; day of meeting will have to be changed]

Luca Einaudi, (2001), Money and Politics: European Monetary Unification and the International Gold Standard, Oxford: Oxford University Press, pp. 37-61.

Warren B. Bailey and Kee-Hong Bae, "The Latin Monetary Union: Some Evidence on Europe's Failed Common Currency," Cornell University College of Business Administration Working Paper, available through www.ssrn.com.

Valeria Sanucci (1989), "The Establishment of a Central Bank: Italy in the 19th Century," in Marcello de Cecco and Alberto Giovannini (eds) A European Central Bank? Cambridge: Cambridge University Press, pp. 244-289.

Flandreau, Marc (2003), "The Bank, the States and the Market: An Austro-Hungarian Tale for Euroland, 1867-1914," in F. Capie and G. Wood (eds), Monetary Unions: History, Theory, Public Choice, London: Routledge, pp. 111-145.

October 13. 19th Century International Capital Flows

Michael Bordo and Antu Mushid (2000), "Are Financial Crises Becoming Increasingly Contagious? What is the Historical Evidence on Contagion?" NBER Working Paper no. 7900 (September).

Marc Flandreau (1998), "Caveat Emptor: Coping with Sovereign Risk without the Multilaterals," CEPR Discussion Paper no. 204. Available at www.cepr.org.

Paulo Mauro, Nathan Sussman and Yishay Yafeh (2002) "Emerging Market Spreads: Then Versus Now," *Quarterly Journal of Economics* 117, pp.695-733.

October 20. States, Capital Markets, Late Emergers, and Globalization

Alexander Gerschenkron (1962), "Economic Backwardness in Historical Perspective," Economic Backwardness in Historical Perspective: A Book of Essays, Cambridge: Belknap Press of Harvard University Press, chapter 1.

Paul Gregory (1994), Before Command: An Economic History of Russia from Emancipation to the First Five-Year Plan, Princeton: Princeton University Press, chapter 5.

Marc Flandreau and Frédéric Zumer (2003), *The Making of Global Finance, 1880-1913*, OECD Development Centre Research Monograph.

October 27. A National Socialist Economic Recovery?

R.J. Overy (1975), "Cars, Roads and Economic Recovery in Germany 1932-8," *Economic History Review* 57, pp. 1361-1401.

Ben Bernanke and Harold James (1991), "The Gold Standard, Deflation, and Financial Crisis in the Great Depression: An International Comparison," in G. Hubbard (ed.), *Financial Markets and Financial Crises*, Chicago: University of Chicago Press, pp. 33-68.

A. Ritschl, "Deficit Spending in the Nazi Recovery, 1933, 1938: A Critical Reassessment," draft available at http://www.wiwi.hu-berlin.de/wg/ritschl/pdf_files/ritschl_dec2000.pdf

November 3. The 1931 Financial Crisis: Three Views

Thomas Ferguson and Peter Temin (2001), "Made in Germany: The German Currency Crisis of July 1931," unpublished manuscript, Boston University and MIT, available at www.ssrn.com.

Harold James (1986), chapter 8 in *The German Slump: Politics and Economics, 1924-1936*, Oxford: Clarendon Press, pp. 283-323.

Gianni Toniolo (2003), chapter 5 in *The History of the BIS*, unpublished manuscript, BIS.

November 10. Financial Fragility and Deflation

Ben Bernanke (1983), "Nonmonetary Effects of the Financial Crisis in the Propagation of the Great Depression," *American Economic Review* 73, pp. 257-276.

M. Friedman and Anna Schwartz (1963), *A Monetary History of the United States, 1867-1960*, Princeton: Princeton University Press, chapter 7, pp. 290-419.

A. Anari, J. Kolari and J. Mason (2003), "Bank Asset Liquidation and the Propagation of the Great Depression," available at <http://www.lebow.drexel.edu/mason/Anari-Kolari-Mason%20JMCB%202003.pdf>

Irving Fisher (1933), "The Debt Deflation Theory of the Great Depression," *Econometrica* 1, pp. 337-357.

November 17. The Marshall Plan

William Diebold (1988), "The Marshall Plan in Retrospect: A Review of Recent Scholarship," *Journal of International Affairs* 41, pp.421-435.

Alan Milward (1989), "Was the Marshall Plan Necessary?" *Diplomatic History* 13, pp.231-253.

Barry Eichengreen and Marc Uzan (1991), "The Marshall Plan: Economic Effects and Implications for Eastern Europe and the Former USSR," *Economic Policy* 14, pp.13-76.

David Ellwood (1989), "The Impact of the Marshall Plan," *History* 74, pp.427-436.

November 24. Post-World War II Economic Growth

Andrea Boltho (1982), "Growth," chapter 1 in Andrea Boltho (ed.), The European Economy: Growth and Crisis, Oxford: Clarendon Press.

Barry Eichengreen (1996), "Institutions and Economic Growth: Europe After World War II," in N.F.R. Crafts and Gianni Toniolo (eds.), *Economic Growth in Europe Since 1945*, Cambridge: Cambridge University Press, Chapter 2.

Abramovitz, Moses (1994), "Catch-up and Convergence in the Postwar Growth Boom and After," in W.J. Baumol, R.R. Nelson and E.N. Wolff (eds), Convergence of Productivity: Cross-National Studies and Historical Evidence, New York: Oxford University Press, 86-125.

Paqué, Karl-Heinz (1993), "Why the 1950s and not the 1920s? Some Notes on Two Post-war Decades of German Economic History," presented at the CEPR conference 17-19 December.

December 1. From Low Unemployment to High Unemployment

Steven Broadberry (1991), "Why Was Unemployment in Postwar Britain So Low?" CEPR Discussion Paper no.541.

Olivier Blanchard and Justin Wolfers (1999), "The Role of Shocks and Institutions in the Rise of European Unemployment: The Aggregate Evidence," NBER Working Paper no.7282.