Course Description

“Globalization” is a multifaceted process linking factor and goods markets across the world’s regions. There is no shortage of economic theory that demonstrates that such integration enhances economic growth and leads to more efficient allocation of resources. There is also a large body of evidence form the historical record that suggests this is so. We aim first to define our terms and lay the ground work: We re-explore the basics of economic growth and the channels through which globalization might matter. Then we ask: what does globalization mean? How do economists and economic historians measure market integration? With these preliminaries we will be able to explore the historical record of globalization and economic growth. Classic topics include here international trade, capital market integration, and immigration. Along the way we will find that the basic growth models only get us so far in understanding the interaction between international economic forces and growth. Topics off the conventional path (at least for those most familiar with the modern growth literature) but nevertheless important will focus on the following: the industrious revolution, empires and colonization, market structure and unified growth models, the relation between economic fluctuations, and growth and the level of economic activity. Related to the final two subjects, there is a subsidiary corner of the literature that suggests that globalization may be detrimental for growth in a number ways and there exist some studies that show that globalization may not always be Pareto improving. By the end of the class you should have the capability of forming a solid opinion on the subject.

As always, I am open to replacing or amending some of the topics by popular demand.

More Information:

This course is intended for graduate students. We will rely on having familiarity with the basics of international trade, international finance, macroeconomics and basic econometric methods. The course will meet twice a week on Mondays and Wednesdays. Mainly I would like the course to follow a seminar format with lively discussion and exchange. We’ll see how this works. With 20 people in the room this quarter it could be fun!
Readings

Readings marked with a * will be made available for photocopying in advance of each class. Readings for each lecture should be read in advance to make for a constructive dialog.

What will be required?

Students will be asked to present a summary of one paper during each class. Since this is a large class not everyone will have to present every time. We’ll plan on 2-3 presentations per session from students.

These in-class presentations will count for 25% of your grade. You will also need to participate in the discussion and that means also reading the papers not assigned to you.

A Paper will count for the other 75%

You will be required to write a paper for this class. The primary goal is to get in the practice of writing an academic paper of article length suitable for an academic journal (and your dissertation!). In expectation the paper will be 20 pages, but around that mean there will be a variance in outcomes depending on the topic and density etc. Papers can begin with replications and extensions of existing papers but some originality in the final product is desirable.

I suggest you write a paper on globalization and growth (with at least some historical perspective) from a unique and new angle. Unique means using a new technique, new data set, a new idea or some or all of these combined. This means you can write a macro or a micro paper or even an (applied) econometrics paper. A 1 page summary of the paper topic will be due in the first week of November. Further discussions may need to take place to hone the idea. I welcome further consultations.

Reading List

Most readings have hyperlinks that are accessible within the UC Davis domain or via your VPN from off-campus. Some readings are not available online. Those are marked with a * and will be made available to students before the class as appropriate. Suggested readings are worth your while but we may not have time to discuss them all. You might browse the more quickly to get acquainted with the main arguments.
I. Economic Growth and Globalization: Basics

I.A Economic Growth: Workhorse models and ideas (Week 1, 9/25 9/27)


I.B Economic Growth and Income over the Long-Run: What we know (Week 2, 10/4, 10/6)


**Further Readings:**


**I.C Measuring Globalization: Integration in Commodity Markets (Week 3, 10/11, 10/13)**


**I.D Capital Market Integration (Week 4, 10/18)**


Bordo, M. Was there really an earlier era of financial globalization? NBER working paper 6738.


**II. Economic Growth and the Global Economy up to the Industrial Revolution**

**II.A Global Markets and Growth 0-1492 A.D. (10/20)**

[http://links.jstor.org/sici?sici=0033-5533%28199308%29108%3A3%3C681%3APGATCO%3E2.0.CO%3B2-A](http://links.jstor.org/sici?sici=0033-5533%28199308%29108%3A3%3C681%3APGATCO%3E2.0.CO%3B2-A)


**II.B International Markets and Growth up to the 18th century (Wednesday of week 5, 10/25)**

II.C Globalization in the Great Divergence and the Industrial Revolution (week 6, 10/27, 11/1 )


**Further Reading:**


*McCloskey, D.N. “From Dependence to Autonomy: Judgments on Trade as an Engine of British Economic Growth” chs. 7 in Enterprise and Trade in Victorian Britain. Boston, George Allen and Unwin.

http://www.nyu.edu/fas/institute/dri/DRIWP/DRIWP02.pdf


**III. Globalization and Growth in the 19th Century**

**III.A International Trade and Growth, Cross Country Evidence (Week 7, 11/3, 11/8)**


Further Reading


III.B Growth and Globalization: Convergence (week 8, 11/10, 11/15)


**IV. Political Economy of Globalization (Monday week 9, 11/17)**


**V. The Great Depression and the Collapse of the Global System (11/22)**


VI. Globalization and Growth Post-World War II (Week 10 11/24)

http://links.jstor.org/sici?sici=0007-2303%281995%291995%3A1%3C1%3AERATPO%3E2.0.CO%3B2-G


http://ideas.repec.org/a/eee/deveco/v39y1992i1p31-57.html

http://nber.org/papers/w7081


http://dx.doi.org/10.1023/B:JOEG.0000023015.44856.a9


VII. Paper Presentations (Week 11, 11/29, 12/1)