ECN 110B: World Economic History II  
Spring 2012  
University of California, Davis

Instructor: Christopher M. Meissner, PhD  
E-Mail: cmmeissner@ucdavis.edu  
Class location and time: Everson 176, MWF 11:00-11:50 A.M.  
Course website and information: SMARSITE (http://smarsite.ucdavis.edu)  
Office: 1104 SSH  
Office Hours: Wednesdays 2:00-4:00 P.M., Fridays 3:30-4:30 and by appointment

<table>
<thead>
<tr>
<th>TA: Doug Campbell</th>
<th>TA: Gabriel Mathy</th>
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<tbody>
<tr>
<td>E-mail: <a href="mailto:dolcampb@ucdavis.edu">dolcampb@ucdavis.edu</a></td>
<td>E-mail: <a href="mailto:gpmathy@ucdavis.edu">gpmathy@ucdavis.edu</a></td>
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<tr>
<td>Section Location and time: Wellman 25 710-8:00, 8:10-9:00</td>
<td>Section Location and time: Wellman 229 M 6:10-7:00, 7:10-8:00</td>
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<td>Office Hours: M 2-4 and by appointment</td>
<td>Office Hours: Tuesdays 3-4pm and Fridays 1-2pm.</td>
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<td>Office: SSH 123</td>
<td>Office: SSH 138</td>
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This course introduces students to the evolution of the global economy since the early 19th century. Getting familiar with the economic history of the global economy will make you more comfortable in understanding current events such as the global economic crisis, the impact of international trade, the role of international capital flows, and the movement of workers across borders.

We will focus heavily on the following concepts/fields from economics:

- International Trade
- International Finance (exchange rates, capital flows, financial crises)
- Immigration

These issues make news headlines everyday (well, at least in the New York Times, Wall Street Journal, or the Financial Times, one of which by the way you should be reading on a daily basis). Your understanding of these events and issues will hopefully improve with this course.

1 Ranked 54th out of 200 universities on this planet (just above Brown University!) in the latest Times Higher Education Supplement World Universities Ranking! But Cal, UCLA, UCSD, UCSB, and, yes, even Irvine were ahead of us. We have to do something about that, huh? Go Ags!!
The course requires no prior knowledge of history but does require econ 1A and 1B or the instructor’s approval to enroll.

**Important Dates**

First Class: Monday April 2nd  
First in class exam: Wednesday April 25th  
Second in class exam: Friday May 18th  
Last Class: Wednesday June 6th  
Final Exam: Tuesday June 12, 2012 10:30 AM – 12:30 PM

The final exam will be partially cumulative but mostly it will focus on information after mid-term 2. Likewise, the two other exams will cover the material just prior to the exam. They will keep you up to date and current with the class.

**There will be no make-up exams!**

You cannot miss an exam without a valid excuse such as a documented medical incident showing you are physically unable to take the exam or have another valid reason that is documented etc. The set of valid excuses is extremely small and anything but a medical emergency that occurs at the exact time of the exam must be discussed with the instructor well before the date of the exam. Any missed exams without a valid excuse will likely result in a zero for that exam.

**The course is organized around the following issues:**

1. Cross Border Movements of Factors of production: capital and labor  
2. International Trade: Why do countries trade with other countries? Who trades with whom? What impact does trade have on the domestic economy  
3. Banking, Money and Finance: How they work in an international setting and their role in financial crises.  
4. Macroeconomic policy, macroeconomic inter-dependence, the role of governments, states and electorates in shaping the global economy.

**Readings**

There is currently no satisfactory single book that covers the issues in this class. I am writing one however. Hopefully, you will get to read drafts of what will become chapters in that book. I would appreciate your feedback on these readings throughout.
If I fail to provide such reading I have given you a set of inspirational readings. The lectures are based on these, and they will be made available during the quarter online at the SMARTSITE website. Some of them are long. Some of them are written for professional economists. The TA’s and I will coach you on how to do these readings.

**Course requirements & other information:**

Handouts, lecture slides, and other information will be posted to the web at SMARTSITE.

Exam questions will be a mix of multiple choice and short answers. Exam material will be based on the major issues covered in lectures using the power point slides and additional readings as resources.

**Grading policy:**

The exams and problem sets will count for the following percentage of your total grade.

First Exam: 30 %
Second Exam: 30 %
Final Exam: 40 %

Given the total score, we will form a curve and allocate final grades using this course score curve. We also strive to fit in with the department policy:

Given the total cumulative scores we form a curve and allocate grades using this course score curve and to fit in with the department policy: “To ensure fairness and consistency in grading, the Department expects that the GPA in Economics 1A, 1B, 100, 101, and 102 will average 2.4. (For example, a distribution with 20% A's, 30% B's, 30% C's, 10% D's, and 10% F's could be consistent with an overall GPA of 2.4.)' In more advanced courses the GPA is typically somewhat higher (2.7).”

**Detailed Course Plan**

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<tr>
<th>Week</th>
<th>Date</th>
<th>Monday</th>
<th>Wednesday</th>
<th>Friday</th>
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<tr>
<td>1</td>
<td>2</td>
<td>M 2 Apr.</td>
<td>Overview of the “Long-Run”</td>
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<td></td>
<td>4</td>
<td>W 4 Apr.</td>
<td>Overview of the “Long-Run”</td>
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<td>6</td>
<td>F 6 Apr.</td>
<td>Origins of the First Great Wave of Globalization</td>
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<td>2</td>
<td>9</td>
<td>M 9 Apr.</td>
<td>The First Great Wave of Globalization: Trade</td>
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<td>11</td>
<td>W 11 Apr.</td>
<td>The First Great Wave of Globalization: Trade</td>
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<td>3</td>
<td>16</td>
<td>M 16 Apr.</td>
<td>The First Great Wave of Globalization: Capital Flows</td>
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<td>18</td>
<td>W 18 Apr.</td>
<td>The First Great Wave of Globalization: Migration</td>
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Greetings, course mechanics, introduction and overview
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<thead>
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<th>Week</th>
<th>Date</th>
<th>Topic</th>
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<tr>
<td>5</td>
<td>20 Apr.</td>
<td>The impact of Globalization</td>
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<td>23 Apr.</td>
<td>The impact of Globalization</td>
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<td>25 Apr.</td>
<td><strong>EXAM 1</strong></td>
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<td>27 Apr.</td>
<td>World War I and its Aftermath: the 1920s</td>
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<td>6</td>
<td>30 Apr.</td>
<td>The Great Depression as an International Financial Crisis</td>
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<td>2 May</td>
<td>The World in Depression cont.</td>
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<td>4 May</td>
<td>Recovery from the Depression</td>
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<td>7</td>
<td>7 May</td>
<td>Lessons from the Great Depression for Today</td>
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<td>9 May</td>
<td>Recovery from World War II: The Marshall Plan and the seeds of the second global economy</td>
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<td>11 May</td>
<td>A new international monetary system: Bretton Woods</td>
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<td>8</td>
<td>14 May</td>
<td>Bretton Woods cont.</td>
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<td>16 May</td>
<td>Export-led growth? The Asian Tigers and the Periphery</td>
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<td></td>
<td>18 May</td>
<td><strong>Exam 2</strong></td>
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<td>9</td>
<td>21 May</td>
<td>New Patterns of International Specialization</td>
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<td>23 May</td>
<td>International Capital Flows &amp; Financial Crises: The Debt Crisis</td>
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<td>25 May</td>
<td>International Capital Flows and Financial Crises in the 1990s</td>
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<td>10</td>
<td>28 May</td>
<td><strong>Financial Crises in the 1990s The IMF and the World Bank: Crises and Reform</strong></td>
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<td>30 May</td>
<td>The Noughties cont.: Bretton Woods II, Global Imbalances and the Global Financial Crisis</td>
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<td>1 June</td>
<td>The Impact of Globalization</td>
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<td>11</td>
<td>4 June</td>
<td>The Impact of Globalization</td>
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**Detailed Course Plan & Reading List**

Basic background reading material is given below.

**The Global Economy in the Long-Run Lectures 1-3**

Suggested readings:


**The First Great Wave of Globalization: Trade, Immigration and Capital Flows:**

**Lectures: 4-8**

**Lectures 4-5**


**Lecture 6-7**

Bordo, M. Eichengreen, B. “Was There Really an Earlier Period of International Financial Integration Comparable to Today?” NBER working papers 6738

**Lecture 8**


**The Impact of Globalization Lectures 9-10**

Meissner, CM “Growth from Globalization?” (pages 29-36)


4. The Global Economy in the 1920s and the Great Depression of the 1930s: Lectures 11-15


Temin, Peter “Transmission of the Great Depression” Journal of Economic Literature 7 (2) pp. 87-102.

Recovery from World War II & the New International Monetary System: Lectures 16-18

Eichengreen, B. and Boltho, A. “The Economic Impact of European Integration” CEPR working paper 6820.

Bordo, Michael “The Bretton Woods International Monetary System: A Historical Overview” in Bordo, M and Eichengreen, B. (eds.) “A Retrospective on the Bretton Woods System: Lessons for International Monetary Reform” (this is long- skim it)

East Asian Economic Growth: Lecture 19


**New Patterns of International Specialization Lecture 20**

Edward E. Leamer. A Flat World, a Level Playing Field, a Small World after All, or None of the above? A Review of Thomas L. Friedman's "The World is Flat"


**International Capital Flows & Financial Crises: The Debt Crisis Lecture 21**

Diaz Alejandro, C. Latin American Debt: I Don't Think We are in Kansas Anymore


**Financial Crises in the 1990s: Lectures 22-23**


Stanley Fischer, “The IMF and the Asian Crisis” Article at the following address


**The Noughties: Bretton Woods II, Global Imbalances and the Global Financial Crisis Lecture 24**


**The Impact of Globalization Lecture 25 & 26**

Baldwin, R. Globalization: the great unbundling(s)

“Reaping the Benefits of Financial Globalization” IMF Discussion Paper

Review