
ECN 110B: World Economic History II

Summer Session 2020
University of California, Davis

Instructor: Christopher M. Meissner, PhD
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Class location and time: MTW 10:00-11:40 A.M. Zoom (**SEE BELOW**)
Course website and information: CANVAS
Office: ZOOM- ONLINE
Office Hours: Office hours are online. Wednesdays 2-4PM and by appointment

TA: JouChun Lin E-mail: joulin@ucdavis.edu Section Location and Time: Th. 1210-1:50 PM Office Hours: Th 2-4 PM Office: ZOOM	TA: Jaey Yoo E-mail: jyoo@ucdavis.edu Section Location and time: Th 10-1140 AM Office Hours: Monday 9-10 AM Office: ZOOM
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TEACHING DURING THE COVID-19 PANDEMIC

All classes will be online.

This class is listed as asynchronous. You do not need to attend lecture at the given time. I will try to provide a live lecture at the scheduled time of 10-11:40 AM in order to facilitate questions and in case you want to try to keep a schedule.

I will record all lectures and post them online on Canvas with Zoom in case you cannot attend at this time.

Sections will be held at their normally scheduled time. Again, you won't have to attend but you can use the time to ask questions. Sections will also be recorded for viewing later.

We will be using an online examination system via Canvas. The exams will be scheduled to last about 1 hour 40 minutes (like class) but you will be able to do the exam within a 24 hour period.

INTRODUCTION

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.

The course requires no prior knowledge of history but does require econ 1A and 1B.

What you will do:

- You will read recommended readings in advance of lecture.
- You will review power point slides prior to lecture.
- You will come to lectures to take notes and ask questions.
- You will attend section once-a-week to take more notes and ask questions.
- You will study and review material that is expected on the coming exam.
- You will take 3 exams which test your knowledge of course material.
- You will become an expert on the global economy since 1850 by the end of the class.

Important Dates

First Class: Monday, August 3rd

Last day to add a class: Friday, August 7th

Last day to drop with a refund: Monday, August 10th

First exam: 12 Aug.

Second exam: 26 Aug.

Last Class: Wednesday, September 9th

Final Exam: Wednesday, September 9th

The final exam will be partially cumulative but it will focus on information after mid-term 2. The two other mid-term 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.

Please look ahead at the schedule and do not schedule any travel on the exam dates. This is not a valid excuse for missing an 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 have given you a set of inspirational and helpful readings. The lectures are partially based on these, and they will be made available during the quarter on line at the **CANVAS** website. Some of them are long. Some of them are written for professional economists. The TAs and I will coach you on how to do these readings. **Bottom line:** Reading these articles is to an exam as military boot camp is to preparing you for life. Reading these articles is to an exam as a cross training class is to talking an evening stroll on the beach.

Course requirements & other information:

Other information will be posted to the web at **CANVAS**.

POWER POINT SLIDES: I do not post detailed power point slides. You will have to take notes or watch the videos. I encourage you to do so with a pen/pencil and paper and not with a laptop (see my policy on electronic devices below).

I will post on CANVAS slides with an outline for the class, figures and tables and summaries where appropriate.

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 will count for the following percentage of your total grade.

First Exam: 30 %

Second Exam: 30 %

Final Exam: 40 %

I will drop the lowest exam and re-weight the remaining two exams 50%-50% if this improves your overall percentage of points earned.

The average GPA in Economics major courses in most cases is around 2.7. There is no restriction on the exact fraction of course grades that are As, Bs,,Fs.

Code of Academic Conduct

You must read the code of conduct here:

<https://ossja.ucdavis.edu/code-academic-conduct>

The code discusses the ground rules regarding academic dishonesty which includes “cheating,” copying, and plagiarism. Cases of academic dishonesty must be and will be reported to the Office of Student Support and Judicial Affairs.

If you are found by Judicial Affairs to have cheated on an exam or committed academic dishonesty, you will receive an "F" in my course.

For the exams you must work by yourself and not with others. Evidence that you worked with others will be taken as a violation of the code of conduct.

Electronic Devices

I strongly encourage you NOT to use a phone, computer, tablet or other electronic device during class/lecture or while watching the recordings. Scientific studies show a negative impact on learning outcomes and grades.

Letters of Recommendation

Several times per year I am asked for letters of recommendation from former students who have taken 110B. I am usually unable to fulfill these requests, not because I don't want to but because students have not prepared adequately.

You should only ask for a letter from an instructor or advisor with whom you have worked closely. Ideally this person would be able to rate your intellectual abilities and your character based on a wide range of interactions. Because our class is large and my interaction with will likely not be great I suggest you do not ask me (or others like me) for such letters later.

If you are interested in graduate school and/or finding ways to interact more with faculty here at UCD there are many resources. There is an application for undergraduates who are interested in gaining some research experience with faculty. It is located at

<https://www.econ.ucdavis.edu/undergrad-program/opportunities-economics/ugrad-research>

This is a good way to get to know a faculty member but it does require significant effort and ability on your part too.

There is also some information about graduate school in economics here:

<https://www.aeaweb.org/resources/students/grad-prep>

In general the field of economics is in desperate need of greater diversity. Women, people of color, LGBTQ are highly under-represented in economics majors at the undergraduate and graduate level. I want to encourage you to consider economics as a major and as a career. The discipline and the profession need you!!

Detailed Course Plan

Week 1	1.	M	3	AUG.	Greetings, course mechanics, introduction and overview, Overview of the “Long-Run”
	2.	T	4	AUG.	Origins of the First Great Wave of Globalization, The First Great Wave of Globalization: Trade
	3.	W	5	AUG.	The First Great Wave of Globalization: Trade, Capital Flows
Week 2	4.	M	10	AUG.	The First Great Wave of Globalization: Capital Flows, Migration
	5.	T	11	AUG.	The impact of Globalization
		W	12	AUG.	EXAM 1
Week 3	6.	M	17	AUG.	World War I and its Aftermath: the 1920s
	7.	T	18	AUG.	The Great Depression as an International Financial Crisis
	8.	W	19	AUG.	The World in Depression cont.
Week 4	9.	M	24	AUG.	Spread of and Recovery from the Depression
	10.	T	25	AUG.	Recovery from World War II: The Marshall Plan and the seeds of the second global economy
		W	26	AUG.	EXAM 2
Week 5	11.	M	31	SEP.	A new international monetary system: Bretton Woods, New Patterns of Specialization
	12.	T	1	SEP.	Export-led growth? The Asian Tigers and the Newly Industrialized Countries
	13.	W	2	SEP.	International Capital Flows & Financial Crises: The 1980s Debt Crisis, 1990s and Global Imbalances
Week 6		M	7	SEP.	LABOR DAY – NO CLASS
	14.	T	8	SEP.	International Capital Flows & Financial Crises: The 1980s Debt Crisis, 1990s and Global Imbalances (Cont.) Impact of Globalization
	15.	W	9	SEP	FINAL EXAM

Detailed Course Plan & Reading List

Basic background reading material is given below. Please note the page numbers that I want you to read carefully!

All articles will be posted in the files section on canvas by lecture group. They will also be numbered.

PLEASE NOTE: The readings labelled "*Suggested further reading*" are for your *edification* only. These readings mainly follow the lecture material but in a more advanced way, or they provide extra background. Material from these readings will NOT be on the exam. BUT! Concepts, facts and other BIG issues related to these readings and which will be discussed in class and section are fair game for the exams.

Lecture 1: The Global Economy in the Long-Run

Reading # 1

Findlay, Ronald and O'Rourke, Kevin. "Commodity Market Integration, 1500–2000" in Bordo, M. Taylor, A and Williamson, J (eds.) [Globalization in Historical Perspective](#) (2003), University of Chicago Press

Reading # 2

Baldwin, R., Martin, P. "Two Waves of Globalisation: Superficial Similarities, Fundamental Differences" NBER working paper 6904.

Lecture 2: The First Great Wave of Globalization:

Reading #3

Williamson, J and O'Rourke, K. "Late 19th Century Anglo-American Factor Price Convergence: Were Heckscher and Ohlin Right?" *Journal of Economic History*, vol. 54, no. 4 (December 1994): **892-902 + conclusion**

Reading #4

Crafts, N. and Venables, A. "Globalization in History: A Geographical Perspective" in Bordo, M. Taylor, A and Williamson, J (eds.) [Globalization in Historical Perspective](#) (2003), University of Chicago Press pp. 323-341, **pp. 348-350**.

Lecture 3: First Wave of Globalization, Capital Flows

Reading #5

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

Lecture 4: First Wave of Globalization, Capital Flows & Migration

Reading #6

Chiswick, B and Hatton, T. "International Migration and the Integration of Labor Markets" in Bordo, M. Taylor, A and Williamson, J (eds.) [Globalization in Historical Perspective](#) (2003), University of Chicago Press **pp. 65-101**

Lecture 5: The Impact of Globalization

Reading #7

Meissner, CM 2013 "Growth from Globalization?" Handbook of Economic Growth vol. 2 Elsevier. **pp. 1055-1061**

Reading #8

Inikori, J "Africa and the globalization process: western Africa, 1450–1850" *Journal of Global History* 2 pp. 63-86. (read pages 79-84, skim the rest)

Suggested further reading (not required):

Williamson, Jeffrey G. "Land, Labor, And Globalization In The Third World, 1870-1940," *Journal of Economic History*, 2002, v62 (1,Mar), 55-85.

Peter H. Lindert, Jeffrey G. Williamson, [Does Globalization Make the World More Unequal?](#), in Bordo, M. Taylor, A and Williamson, J (eds.) [Globalization in Historical Perspective](#) (2003), University of Chicago Press

Lectures 7, 8 & 9: The Great Depression as an International Financial Crisis

Reading #9

Bernanke, Ben "The Macroeconomics of the Great Depression: A Comparative Approach" Journal of Money Credit, and Banking. 27 (1) pp. 1-28

Reading #10

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

Lecture 10: Recovery from World War II

Reading #11

De Long, J. Bradford and Eichengreen, Barry. 1991. "The Marshal Plan: History's Most Successful Structural Adjustment Program". NBER WP 3899.

Reading # 12

Eichengreen, Barry. "Institutional Prerequisites for Economic Growth: Europe After World War II"

Lecture 11: The New International Monetary System & New Patterns of Specialization

Reading #13

(Suggested reading: not required - skim this one it's very long and technical)

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"

Reading # 14

(Suggested reading: not required - skim this one it's very long and technical)

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’”.
Journal of Economic Literature , Vol. 45, No. 1 (Mar., 2007), pp. 83-126

Lecture 12: East Asian Economic Growth

Reading # 15

Dani Rodrik, “Getting Interventions Right: How South Korea and Taiwan Grew Rich,”
Economic Policy 20, 1995, pp.55-107

Lecture 13: International Capital Flows & Financial Crises

Reading #16

Diaz Alejandro, C. Latin American Debt: I Don't Think We are in Kansas Anymore
Carlos F. Diaz-Alejandro, Paul R. Krugman and Jeffrey D. Sachs *Brookings Papers on Economic Activity* , Vol. 1984, No. 2 (1984), pp. 335-403

Reading #17

Steven Radelet and Jeffrey Sachs, “The East Asian Financial Crisis: Diagnosis, Remedies, Prospects,” *Brookings Papers on Economic Activity* 1 (1998), pp.1-74.

Reading #18

Stanley Fischer, “The IMF and the Asian Crisis” Article at the following address
www.imf.org/external/np/speeches/1998/032098.htm

Lecture 14: Global Imbalances & Impact of Globalization

Reading # 19

Michael P. Dooley, David Folkerts-Landau and Peter Garber “An Essay on the Revived Bretton Woods System”

Reading # 20

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

Reading # 21

“Reaping the Benefits of Financial Globalization” IMF Discussion Paper

Reading # 22

Clemens, Michael 2011. “Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?” *Journal of Economic Perspectives* vol. 25 (3) pp. 83-106.