University of California, Davis  
SPRING 2020  
Economics 210B  
Understanding the Global Economy in the Long Run

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Course Description

Since the nineteenth century, technological changes, transportation improvements and changing preferences have worked to greatly accelerate the integration of the world’s various local economies. There have been moments of reversal, but the general direction has been towards integration. Integration in turn has had important effects. Understanding this long run process can help shed light on where the global economy is today and how economic actors learn about the world. It also gives us an indication of the subsequent evolution of the global economy. The economic history of the global economy is far from irrelevant, so this course aims to understand the evolution of this global economy between 1800 and 1939. We will look at a number of issues directly related to the ‘global economy’, but at times, recourse to an international comparative perspective will be necessary so as to put domestic developments in perspective. We will explore issues in economic development, international trade, international finance, political economy, labor markets, and the big one—yes, The Great Depression. I am open to replacing or amending some of the topics by popular demand.

Information

This course is intended for graduate students in economics. We will rely on having familiarity with the basics of international trade, international finance, macroeconomics and graduate level econometric methods and economic theory. 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. This means you will have read in depth most of the articles for each topic.
Grading

Paper: 75%
In-class presentations: 25%

Readings & In-Class Presentations

Readings for each lecture should be read in advance to make for a constructive dialog. Students will be required to present a power point/beamer critical summary twice during the quarter. Presentations should be about 10 minutes in length (roughly 7 slides +/- 2). I will tell you more about this in class.

You can sign up to present a paper using the topics list which I posted at

https://www.dropbox.com/s iy2t6jqkm0kmgnb/student%20presentations.docx?dl=0

Simply place your name next to a paper to claim that presentation slot.

Paper

You will be required to write a short paper for this class. The primary goal is to get in the practice of writing an academic, publishable paper of article length suitable for a journal (and possibly for your dissertation!). In expectation the paper will be about 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. Finding a topic can be difficult, so early and frequent consultation with the instructor is recommended. Please familiarize yourself with university policies and rules on plagiarism. It will not be tolerated. A 1 page summary of the paper topic will be due in the first week of February. Further discussions may need to take place to hone the idea. I welcome further consultations.

I will provide a list of potential topics soon.
Short Reading List by Topic

0. Introduction

1. GROWTH
   a. Economic Growth in the Nineteenth Century
   b. Economic Growth & Development: A Global View

2. Development
   a. Economic Growth and Institutions
   b. Economic Geography
   c. Economic Geography 2.0
   d. Innovation and Technology

3. Globalization in the 19th Century
   a. International Trade: Some preliminaries
   b. Integration in Commodity Markets
   c. More on Trade in the 19th Century
   d. Trade Policy
   e. Political Economy: Globalization and Democracy
   f. Capital Market Integration

4. Developments in Monetary Policy and Finance in the Nineteenth Century

5. Financial Crises
   a. Financial Crises in History I
   b. The Great Depression as an International Financial Crisis
   c. The Great Depression and the United States
Detailed 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.

0. Introduction (3/30)

SUGGESTED READINGS

Abramitzky, Ran Economics and the Modern Economic Historian NBER WP 21636.


Ionannidis, John P.A. 2005 Why Most Published Research Findings Are False


Goodman, S. and Greenland S “Why Most Published Research Findings Are False: Problems in the Analysis”
I. Economic Growth in the Nineteenth Century

I.A Modernization & Industrialization (4/1) (1)


Optional

Broadberry, Stephen. “Accounting For The Great Divergence“

Broadberry, Stephen “Recent developments in the theory of very long run growth: A historical appraisal“


Lindert, Peter (2016) “Purchasing Power Disparity before 1914“ NBER working paper 22896

Jones, Charles 2015 “The Facts of Economic Growth“ NBER WP 21142

I.B Economic Growth & Development: A Global View (4/6) (2)


**Additional Reading**


**II. New Frontiers in Understanding Economic Development:**

**II.A Economic Growth and Institutions (4/8) (3)**


II.B.1 Economic Geography (4/13) (4)


Additional Reading


II.B.2 Economic Geography 2.0 (4/15) (5)
Juhasz, R. “Temporary Protection and Technology Adoption: Evidence from the Napoleonic Blockade” working paper Columbia University.


Additional Reading


Jedwab, Remi and Moradi, Alexander 2013 “Transportation Technology and Economic Change: The Impact of Colonial Railroads on City Growth in Africa”


II.C Innovation and Technology (4/20) (6)


Additional Reading


III. Globalization in the 19th Century

III.A International Trade: Some preliminaries (4/23) (7)


Additional Reading

Keller, Wolfgang, Shiue, Carol and Santiago, J.A. “Foreigners Knocking On The Door: Trade In China During The Treaty Port Era“ NBER working paper 21866

III.B Integration in Commodity Markets  (4/27) (8)


Additional Reading:

III.B. 2 More on Trade in the 19th Century (4/29) (9)


Bierman, M “Trade and the Size Distribution of Firms: Evidence from the German Empire“ CEPR WP 1450

Keller, W. and Shiue, C. “INSTITUTIONS, TECHNOLOGY, AND TRADE“ NBER WP 13913


Bernhofen, Daniel and Brown, John 2016 “Understanding the Gains from Trade through the Window of Japan during the 19th Century Globalization: Analysis of a Counterfactual“ mimeo American University

III.C Trade Policy (5/4) (10)


Additional Reading


III.C.2 Political Economy: Globalization and Democracy

(5/6) (11)


Michael Huberman “Ticket to trade: Belgian labour and globalization before 1914” The Economic History Review 61(2) pp. 326-359

III.D Capital Market Integration (5/11) (12)


Obstfeld, Maurice and Alan M. Taylor “Globalization and Capital Markets” NBER working paper 8846


Additional Reading


IV. Developments in Monetary Policy and Finance in the Nineteenth Century (5/13) (13)


Additional Reading


V. Financial Crises

V. A Financial Crises in History I (5/18) (14)


Reinhart, Carmen, Rogoff, K. 2008. This Time is Different: A Panoramic View of Eight Centuries of Financial Crises.

**Additional Reading**

Neal, Larry and Weidenmier, Marc “Crises in the Global Economy from Tulips to Today: Contagion and Consequences” NBER working paper 9147.


Reinhart, C. and Rogoff, R. “This Time is Different Chartbook: Country Histories on Debt, Default, and Financial Crises” NBER WP 15815

Franklin Allen and Douglas Gale “An Introduction to Financial Crises” Wharton School working paper.

VI. The Great Depression

VI.A The Great Depression as an International Financial Crisis (5/20) (15)

Barry Eichengreen, Golden Fetters, Chapters 8-13.*


Meissner, CM and Bordo, MD “Original Sin and the Great Depression” mimeo UC Davis.

Additional reading

J.M. Keynes (1919), The Economic Consequences of the Peace


VI.B The Great Depression and the United States (5/27 + 6/1) (16)


Ziebarth, N. 2013 “Misallocation and Productivity in the Great Depression“ unpublished mimeo University of Iowa

Kumhof, M. and Ranciere, R. “Inequality, Leverage and Crises“ IMF WP 10/268


Student Presentations of Papers 6/1 & 6/3