

Public Policy 495

REVISED AFTER CLASS CANCELLED BY COLD and MID-SEMESTER FEEDBACK

**Twentieth Century World Economic History: Economic Growth, Depression, and
Inequality**

Josh Hausman

Course Information and Procedures

Location and time

Class meets Monday and Wednesday 2:30-3:50pm in Weill 1220.

Description

In this course, we will study 20th century world economic history, with a focus on the U.S. We will examine (1) the origins of modern economic growth in the 19th century and the forces that increased growth in the 20th century; (2) the tremendous economic disruption of the Great Depression; (3) the growth success of the 1950s and 1960s; and (4) the cyclical and structural economic problems faced by the U.S. and many other countries since 1973. The focus of this course will be on the economics of these events and the responses of economic policymakers. But we will also look to history and political science for alternative perspectives.

Course requirements

1. Each week, you will write a short (two paragraph / 150-200 word) reading response. I will provide the question(s) each week on Wednesday, with the response due the following Wednesday.
2. Students will write a 10-page paper on a country of their choosing. In the first half of the paper, due on **27 February**, students will review the economic history of the country up to 1950. In the remainder of the semester, students will revise these first five pages and write the second half of the paper. The second half will review the recent economic history of the country since 1950 and discuss how the country's history informs current policy debates. The entire 10-page paper is due **17 April**.
3. Students will make a 10-minute presentation to the class on their country's economic history on 17 April or 22 April.

Grades will be weighted as follows:

- Weekly reading responses: 20 percent.
- First half of research paper: 25 percent.
- Complete research paper: 40 percent.
- Presentation and class participation: 15 percent.

Contact information and office hours (in Weill 3309)

Email: hausmanj@umich.edu

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Office hours: Mondays, 4:00-5:00pm; Thursdays, 4:00-5:00pm.

Course prerequisites: None, but please consult with me if you have no economics background.

Learning Objectives: Students taking the course will acquire a basic knowledge of world economic history and the ways in which this history informs current policy.

A note on and writing and workload: Policy seminars are designed to emphasize writing skills. The weekly short writing assignments as well as the research paper will give you practice writing about economics.

The writing and reading required for this course will be time consuming: as expected for a four credit class (<https://ssd.umich.edu/article/time-how-much-do-you-need>), students will likely need to work 8-12 hours a week outside of class in order to do well in this course.

While challenging, this course will also be rewarding: students will acquire an interdisciplinary understanding of the world history of the 20th century and the ways in which this history shapes policy today.

Paper assignment details

The goal of this assignments is to give students the chance to explore in more detail the economic history of a country of their choosing. Students may choose any country except Japan, the United Kingdom, the United States, and the Soviet Union. (These countries are excluded because we will be considering their specific histories in some detail in class.)

For some countries, however, data and secondary sources may be difficult to find. Thus I encourage you to come see me early in the semester to discuss possible sources. And a draft bibliography is due on 4 February.

First half of research paper (due 27 February, 1250 words / 5 pages):

- Students will write an overview of the economic history of their country from 1870 to 1950, focusing on the period from 1914-1950.
- All papers should give readers a basic sense of the country's economic growth in this period – e.g. how rapid was it? What sectors did well / poorly?
- Depending on the individual country, students may also wish to address questions like the following:
 - Did policymakers make choices that were conducive to economic growth? If not, what do you think could have been done better?
 - What was the country's experience during the Great Depression?
 - How did inequality evolve over this period?
 - Was international trade helpful to the country in this period?
 - How did economics interact with politics in this period? Did poor economic performance lead to political problems (or vice-versa)?

Complete research paper (due 17 April, 2500 words / 10 pages):

- Students will incorporate feedback from me to revise the first half the paper on their country's economic history up to 1950.
- In the second half of the paper, students will discuss economic developments in their country since 1950, with a focus on how this recent history is relevant for policy in the country today.
- As in the first half of the paper, students should be sure to provide an overview of economic growth in this period.
- Also as in the first half, depending on the country and their interests, students may focus on any of a number of different questions, including:
 - How did inequality evolve before and after 1980?
 - Much of the world deregulated the financial sector beginning in the 1970s. Did this occur in your country? If so, what were the effects of this liberalization?
 - Many countries were affected by oil price shocks and a slowdown in technological progress and growth in the 1970s. Did this occur in your country? How did policymakers manage these shocks?

Presentations

- Each student will give a 10-minute presentation to the class on 17 or 22 April. This presentation should give the class a basic overview of the economic history of the country.
- Good presentations will also relate the economic history of the country to larger themes in the course.

Ford School Inclusivity Statement

Members of the Ford School community represent a rich variety of backgrounds and perspectives. We are committed to providing an atmosphere for learning that respects diversity. While working together to build this community we ask all members to:

- share their unique experiences, values and beliefs
- be open to the views of others
- honor the uniqueness of their colleagues
- appreciate the opportunity that we have to learn from each other in this community
- value one another's opinions and communicate in a respectful manner
- keep confidential discussions that the community has of a personal (or professional) nature
- use this opportunity together to discuss ways in which we can create an inclusive environment in Ford classes and across the UM community

Students with Disabilities

If you believe you need an accommodation for a disability, please let me know at your earliest convenience. Some aspects of this course may be modified to facilitate your participation and progress. As soon as you make me aware of your needs, I can work with the Office of Services for Students with Disabilities to help determine appropriate accommodations. I will treat any information you provide as private and confidential.

Student Mental Health and Wellbeing

The University of Michigan is committed to advancing the mental health and wellbeing of its students. We acknowledge that a variety of issues, such as strained relationships, increased anxiety, alcohol/drug problems, and depression, directly impacts students' academic performance. If you or someone you know is feeling overwhelmed, depressed, and/or in need of support, services are available. For help, contact Counseling and Psychological Services (CAPS) and/or University Health Service (UHS). For a listing of other mental health resources available on and off campus, visit: <http://umich.edu/~mhealth/>.

Use of technology

- Please do not blog or tweet anything that I say in class without my consent.
- Please talk to me before recording or photographing any of class.
- While I do not ban electronics in class, I encourage you to take notes by hand. Research suggests that this improves learning (<https://www.nytimes.com/2017/11/22/business/laptops-not-during-lecture-or-meeting.html>).

Ford School Academic Expectations: I expect all students to review and abide by the Ford School academic expectations given here, <http://fordschool.umich.edu/academics/expectations>. I am happy to discuss any questions you may have.

Readings

Required books (all are on reserve in the Ford School reading room)

Eichengreen, Barry. 2018. [*The Populist Temptation: Economic Grievance and Political Reaction in the Modern Era*](#). New York: Oxford University Press.

Frieden, Jeffrey A. 2007. [*Global Capitalism: Its Fall and Rise in the 20th Century*](#). New York: W. W. Norton.

Gordon, Robert J. 2016. [*The Rise and Fall of American Growth: The U.S. Standard of Living Since the Civil War*](#). Princeton, NJ: Princeton University Press.

Hobsbawm, Eric. 1994. [*The Age of Extremes: A History of the World 1914-1991*](#). New York: Random House.

Lee, Min Jin. 2017. [*Pachinko*](#). New York: Grand Central Publishing.

Deirdre N. McCloskey. 2000. [*Economical Writing*](#). Long Grove, IL: Waveland Press (2nd edition).

Orwell, George. 1958 [1937]. [*The Road to Wigan Pier*](#). New York: Harcourt.

Other readings

Other readings are linked to below or will be available on Canvas.

Daily schedule. All listed readings are required.

With the exception of the first day (1/9), all readings should be done before class.

I. Introduction and overview

1/9: Introduction: what is economic history and why study it at a policy school?

- DeLong, J. Bradford, "[Slouching Towards Utopia?: An Economic History of the 20th Century: I. My Grand Narrative.](#)"
- World history background: [101 events](#).

1/14: Overview of 20th century economic history

- Frieden, pp. 1-12 (prologue).
- Gordon, pp. 1-23 (introduction).
- Hobsbawm, pp. 1-17 ("The Century: A Bird's Eye View").
- DeLong, J. Bradford, "[Slouching Towards Utopia?: An Economic History of the 20th Century: II Themes.](#)"

II. The World on the Eve of the 20th Century

1/16: The economic world around 1900

- DeLong, J. Bradford, "[Slouching Towards Utopia?: An Economic History of the 20th Century: III. Making the First Global Economy 1870-1914.](#)"
- Frieden, chapters 3 and 4.

1/23: U.S. Living Standards

- Gordon, chapters 2 and 3.

1/28: Writing in economics.

- Deirdre N. McCloskey. *Economical Writing*. (Entire book – it's short!)

2/4: Global inequality

- Lewis, W. Arthur. 1978. *The Evolution of the International Economic Order*, pp. 1-38 (chapters 1-6) only.

2/6: Politics and the economy before World War I. DRAFT BIBLIOGRAPHY DUE.

- Eichengreen, chapters 1-4.

III. 1914-1950

2/11: World War I and the 1920s.

- Hobsbawm, pp. 21-36 (chapter 1, part I).
- Frieden, chapters 6-8.
- Gordon, chapter 5.

2/13: The Great Depression: Overview

- Frieden, chapters 9 and 10.

2/18: The Great Depression in the U.S.

- Christina D. Romer, "[The Nation in Depression](#)," *Journal of Economic Perspectives* 7 (Spring 1993): 19-39.

2/20: Political reactions to the Depression

- Hobsbawm, chapter 4.
- Eichengreen, chapters 5 and 6.

2/25: Society in the Depression

- Orwell, pp. 5-118 (Part I).
- Pachinko, book I.

2/27: World War II and the immediate aftermath. 1ST HALF OF PAPER DUE.

- Hobsbawm, pp. 36-53 (chapter 1, parts II and III).
- Frieden, chapter 11.

IV. 1950-1973

3/11: Technological progress.

- Gordon, chapters 16 and 17.

3/13: The Golden Age in western Europe.

- Hobsbawm, chapter 9.
- Frieden, chapter 12.

3/18: The U.S.

- Gordon, chapter 10 OR 11.
- Eichengreen, chapter 7.

3/20: The developing world.

- Frieden, chapter 13.

3/25: The communist world.

- Hobsbawm, chapter 13.
- Frieden, chapter 14.

3/27: Japan.

- David Flath (2005), [The Japanese Economy](#), Oxford University Press. Chapter 4 only.
- Pachinko, book II.

V. 1973-2018

4/1: Western Europe and the U.S.

- Hobsbawm, chapter 14.
- Frieden, chapter 16.
- Eichengreen, chapter 8.

4/3: Developing countries.

- Hobsbawm, chapter 15.
- Frieden, chapters 18 and 19.

4/8: Inequality within and across countries

- Solow, Robert, "[Thomas Piketty Is Right](#)," *The New Republic*, April 22, 2014.
- Dynarski, Susan. "[Fresh Proof that Strong Unions Help Reduce Income Inequality](#)." *New York Times*, 7/6/18.
- Banerjee, Abhijit V. and Esther Duflo. 2007. "[The Economic Lives of the Poor](#)." *Journal of Economic Perspectives*, 21:1, pp. 141-167.
- Pachinko, book III.

4/10: Economics and politics

- Eichengreen, chapters 9-13.

4/15: Economic history and economic policy: what have we learned?

- Barry Eichengreen, "Economic History and Economic Policy," *Journal of Economic History*, 72 (June 2012): pp. 289-307.
- Gordon, chapter 18.

4/17: Presentations. COMPLETE PAPER DUE.

4/22: Presentations.