
National Research University Higher School of Economics
School of World Economy and International Affairs



Undergraduate Programme
in International Relations
(Parallel Degree from HSE and UoL)

Economic History since 1900

Course Syllabus
(May-June 2020)

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Pre-requisites:

The course has no pre-requisites

Abstract:

The course introduces students to the main topics of the global economic history from the early twentieth century to present. Discussion points include such issues as capitalism, socialist alternative(s), Nazi economy, welfare state, globalization.

Aims and Objectives:

1. To understand the development of the main modern European, American and Asian economies.
2. To develop an appreciation for the economic effects on political, and social processes.
3. To study in relevant details theoretical concepts and challenges underpinning the study of economic history since 1900.
4. To identify and select the sort of data that is needed to do this, and how to assess how much data is needed to make valid judgement.
5. To have a working familiarity with the most current research topics in economic history.

Learning Outcomes:

At the end of this course each student should have learnt:

- how economic growth is transferred from one economy to another
- how the nature of the international economy affects the transfer of economic growth
- what the benefits to economic growth and international trade of fixed versus fluctuating exchange rates are
- how relatively free capital mobility and controls on capital flows compare
- how the effects of relatively free labor mobility (migration) compare with the effects of controls on mobility

- why the ability of a country to ‘catch up’ the economic growth of other countries is affected by the ‘social capabilities’ (the underlying conditions) in the country
- how technical change affects the economy.

Grading System

Grading formula consist of:

Seminars activity – 50%

MOCK 1 – 25%

MOCK 2 – 25%

Seminars:

All students are expected to attend every class and participate by contributing to the in-class discussions, participating in group discussions and making notes. The statements and answers to the questions must contain well formulated arguments that clearly show a range of the different points of view. To do this, students must demonstrate a quality preparation for the seminar: read all the assigned literature, study guide and be ready to perform your critical evaluation of it.

The final grade is made up of points that students earn throughout the course. The distribution of points is the following:

0	0,5	1	2	3
Absence without a valid reason ¹	Present, but no participation ²	Present; little contribution ³	Present; sophisticated	Present; outstanding contribution

¹ Medical certificate or any proof of academic activity (e.g. conference) should be handed in to the Administration Office if a student wants to make up for the missed opportunity to get credits. It is obligatory to notify the tutor or the assistants to ask for a special task for the related topic. The tutor should be notified by a student via e-mail during a student’s absence and a medical certificate (or any document explaining the valid reason) should be handed in not later than 2 days after a student has return to studying. Unless these steps are accomplished, a student will get the mark “0” for all seminars they missed.

² Not being able to respond to the question of the tutor or passive participation in group projects is considered as “no” participation.

³ Having answered the question of the tutor, but no involvement volunteering or volunteered 1-2 times without demonstrating comprehensive analysis is considered as “little” contribution.

			contribution	
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Therefore, overall participation in seminars throughout the course makes up the grading scheme:

NOT A PASS		SATISFACTORY		WELL PASSED		EXCELENTLY PASSED	
Grade	Points	Grade	Points	Grade	Points	Grade	Points
1	2,5	4	5,5	6	8,5	8	12
2	3,5	5	7	7	10	9	14
3	4,5					10	16

MOCK exams:

Mock exams are written examination aimed to verify how the material was learned and understood. Each mock exam may contain 4 questions: a) material from the lecture; b) material from the previous seminars. Timing: 3 hours.

Sample MOCK exam questions:

Candidates should answer **FOUR** of the following **EIGHT** questions. All questions carry equal marks.

If more questions are answered than requested, only the first answers attempted will be counted.

1. Why did Britain dominate the share of capital in the world economy in the period before 1914?
2. What were the economic consequences of the First World War?
3. Explain the recovery of the depression of 1929-33 in **two** of the following countries: the USA, Britain, Germany, or France.
4. What were the main agreements of the Bretton Wood Conference in 1944? How appropriate were they to the problems of the post war world?
5. Why did government economic policy change in the 1980s in Britain and the USA?
6. Explain the causes of the 2008 depression in Britain and the USA?
7. Account for the success of the Japanese motor industry since 1973.
8. Account for the increase in China's foreign trade in the last thirty years.

Methods of Instruction:

Each week of the course contains one lecture and two seminars devoted to a particular topic of the course content.

Examination Type

Cumulative grade is enough to pass this course, therefore no exam is intended.

Course Content

Week 1. Course introduction

This is an introduction to the course.

Week 2. International trade and economic growth

We examine what we call ‘modern economic growth’ – a relatively recent phenomenon. We see why it started in Europe and how it has spread from one country to another. This introduces the concept of economic ‘catch up’.

Week 3. The development of an international economy by 1900: trade, capital and labor

We explain how movements of capital, labor and goods created the international economy and how trade was related to the growth of world output. We examine the development of modern industry, including an explanation of why both assembly-line production and the business corporation first developed in the USA.

Week 4. Institutions that underpinned the international economy before the First World War.

We look at the main economic institutions of the pre-First World War period. We explain why these were characteristics of the period before the First World War and not after.

Week 5. The development of modern industry.

We consider why Britain remained the most important player in the international economy even though it was no longer the largest economy.

Week 6. Britain – trade and empire.

We examine the economic advantages of colonies to the colonial powers. We also discuss colonial development and see how far being a colony inhibited development.

Week 7. The First World War and the international economy.

We examine the long and short-run effects of the First World War on trade and international finance. This introduces the idea of a war economy and how it differs from a peacetime economy. Then we look at the medium-run consequences of the war, in particular the reasons for the poor performance of the international economy after 1918.

Week 8. The world economic and financial crisis, 1929-33.

We look at the international economic crisis of 1929–33. We examine the spread of the crisis through the world economy, its causes, and why it was not possible to use (macro) economic policy to contain it. We explain why the Depression was more serious in some countries than in others, why the rate of recovery was also different and why national economies recovered faster from the Depression than the international economy. We also discuss the changes in economic theory and their influence on economic policy.

Week 9. Government intervention, recovery and the international economy in the 1930s.

We look at the economic history of the Second World War, particularly the successes and failures of the main economies. We look once more at the nature of war economies and the relationship between the economy and strategy.

Week 10. The war economies, 1939-45.

We examine the development of the international monetary system and of international economic cooperation in the post war years (1945–52). We discuss the changes to the Bretton Woods agreements and why the agreements took a long time to implement. Then we look at the development of the international monetary system in the later twentieth century, including the end of fixed exchange rates and the change to the floating exchange rate system of the late twentieth century. We analyse the causes and effects of the oil crises.

Week 11. International monetary relations since 1944.

We look at the reasons why economic growth was so fast in the major European economies up to the early 1970s and why growth rates then fell. We discuss why some economies have grown faster than others. Then we look at the growth of the European Economic Community. We look at changes in economic policy in the post-war period, particularly the end of the Keynesian consensus and the fashion for ‘supply-side economics’ in the United States and Britain.

Week 12. Economic growth in western Europe since 1950.

We consider Japanese industrial performance, particularly the position of Japan in the world motor industry since the Second World War, showing how Japanese innovations and industrial organisation contrasted with American.

Week 13. The American economy since 1960: supply-side economics.

We explain ‘deindustrialisation’ and why services have become more important than manufacturing in national economies.

Week 14. Technology and deindustrialization.

We show the development of industrial technology from the early factory system through mass production to the flexible production systems of today.

Week 15. International trade and developing countries in the late 20th century.

We try to answer the question: is economic growth easier or harder to transfer to poorer countries in the twenty-first century compared with the twentieth century? This returns us to the relationship between trade and development with which we started the module.

Week 16. Japan and China.

We show how China developed into the most important manufacturing country in the world and how Japan developed extremely fast but in recent years development has stalled.

Week 17. The financial crisis of 2008.

We show the main causes of the recent financial crisis, and how it spread from one country to another.

Course Readings

All readings sent via email by the tutors are required for a productive seminar, which is necessary to pass the academic discipline.

Essential Readings:

- Graff, M., Kenwood, A.G. and A.L. Loughheed *The growth of the international economy, 1820–2015*. (London: Routledge, 2016) sixth edition

- Broadberry, B.N. and K. O'Rourke (eds) *The Cambridge economic history of modern Europe. Volume 2: 1870 to the present.* (Cambridge: Cambridge University Press, 2018)
- Eichengreen, B. *Globalizing capital. A history of the international monetary system.* (Princeton, NJ: Princeton University Press, 2015)

Further Readings:

- Aldcroft, D.H. *The European economy, 1914–2000.* (London: Routledge, 2015)
- Allinson, G. *Japan's post war history.* (London: Routledge, 2017)
- Blackford, M.G. *The rise of modern business in Great Britain, the United States and Japan.* (Chapel Hill, NC: University of North Carolina Press, 2015)
- Feinstein, C.H., P. Temin and G. Toniolo *The world economy between the world wars.* (Oxford: Oxford University Press, 2018) second edition
- Foreman-Peck, J. *A history of the world economy: international economic relations since 1850.* (New York: Harvester/Wheatsheaf, 2016) third edition
- Jones, E., L. Frost and C. White *Coming full circle. An economic history of the Pacific Rim.* (Boulder, CO: Westview Press, 2016)
- Mosk, C. *Japanese economic development: markets, norms, structures.* (Abingdon: Routledge, 2018)
- Naughton, B. *The Chinese economy: transitions and growth.* (Cambridge, MA: MIT Press, 2016)
- Krugman, P. *The return of depression economics and the crisis of 2008.* (London: Penguin Books, 2018)

Special Equipment and Software Support: none

