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History 1965
(Spring Term 2014, Thursdays 2-4pm)
CGIS-K354

INTERNATIONAL HISTORY: STATES, MARKETS AND THE GLOBAL ECONOMY

History 1965 is a conference course in international history, taught jointly by Professors Niall Ferguson and Charles Maier, and designed for upper-level undergraduates as well as for graduate students preparing examination fields in international history. Graduate students who write a paper of appropriate scope can receive seminar credit. Issues under examination will include the role of institutions in economic growth, the development of public finance, the “great divergence” of Asia and Europe, the economics of empire and of war, and financial crises.

Each student will be expected to open discussion of at least one of the weekly sessions with a brief report on one or more of the readings. (The written reports and general classroom participation will count for 20 per cent of the grade.) Students will also write a critical review of one of the readings during the semester (30 per cent) and write a final course essay on a topic to be determined in consultation with one of the instructors (50 per cent).

There are no formal prerequisites, but students should enjoy keeping up with financial journalism (e.g. reading *The Economist*, the *Financial Times*) and economic history.

Class Schedule and Readings

1. Course Introduction: (Jan. 30)

Lawrence Summers, [“Why Stagnation Might Prove to Be the New Normal”](#), *Financial Times*, December 15, 2013 and [“Washington Must Not Settle for Secular Stagnation”](#), *FT*, January 5, 2014.

2. Frameworks for Economic Development (Feb. 6)

Ronald Findlay and Kevin H. O'Rourke, *Power and Plenty: Trade, War, and the World Economy in the Second Millennium* (Princeton, 2007), pp. 143-275.
Robert W. Fogel, *The Escape from Hunger and Premature Death, 1700-2100: Europe, America, and the Third World* (Cambridge, 2003), chs.1, 2.
Angus Maddison, *The World Economy: A Millennial Perspective* (Paris, 2001), ch.1.
Douglass C. North, *Understanding the Process of Economic Change* (Princeton, 2005), chs.7, 10.

3. Glorious (and Inglorious) Institutions (Feb. 13)

Daron Acemoglu, Simon Johnson and James A. Robinson, "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *Quarterly Journal of Economics*, vol. 117, no. 4 (Nov. 2002): 1231-1294.
Stanley L. Engerman and Kenneth L. Sokoloff, "Once Upon a Time in the Americas: Land and Immigration Policies in the New World", unpublished Working Paper (2009).
Douglass C. North and Barry R. Weingast, "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England," *Journal of Economic History*, 44, 4 (1989): 803-32.
Patrick K. O'Brien, "Inseparable Connections: Trade, Economy, Fiscal State, and the Expansion of Empire, 1688-1815," in P. J. Marshall (ed.), *The Oxford History of the British Empire, vol. II: The Eighteenth Century* (Oxford / New York, 1998), pp. 53-77.

4. The Great Divergence: Why Wasn't Asia Europe? (Feb. 20)

Eric Jones, *The European Miracle: Environments, Economies and Geopolitics in the History of Europe and Asia* (Cambridge 3rd edn. 2003), chs.4, 6, pp. 70-84, 104-126.
[CUT? David S. Landes, *The Wealth and Poverty of Nations: Why Some are So Rich and Some So Poor* (New York, 1998), chs.1-4, pp. 3-59.]
Kenneth Pomeranz, *The Great Divergence: China, Europe and the Making of the Modern World Economy* (Princeton, 2000), Introduction, pp. 3-27.
Richard von Glahn, *Fountain of Fortune: Money and Monetary Policy in China, 1000-1700* (Berkeley and Los Angeles, 1996), pp. 1-12, 113-43, 197-257.
Timur Kuran, *The Long Divergence: How Islamic Law Held Back the Middle East* (Princeton University Press, 2011), Introduction and Conclusion, pp. 3-24, 279-302.

5. Financial Crisis: A Tale of Two Bubbles (Feb. 27)

Edward Chancellor, *Devil Take the Hindmost: A History of Financial Speculation* (New York, 1999), ch.3, pp. 58-97.
Niall Ferguson, *The Ascent of Money: A Financial History of the World*, paperback edn. (New York, 2009), ch.3, pp. 119-175.
Charles P. Kindleberger, *Manias, Panics and Crashes: A History of Financial Crises*, 3rd edn. (New York, 1996), ch.2, pp. 11-19.
Larry Neal, *The Rise of Financial Capitalism: International Capital Markets in the Age of Reason* (Cambridge, 1990), chs.4, 5, pp. 62-117.

6. Industrial Revolution and Evolution (March 6)

- Robert Allen, *The British Industrial Revolution in Global Perspective* (Cambridge University Press, 2009), chs.2,4,5 and 6.
- Greg Clark, *A Farewell to Alms: A Brief Economic History of the World* (Princeton University Press, 2008), chs.6,7,11 and 12.
- Peter Stearns, *The Industrial Revolution in World History* (4th edn., Westview Press, 2013), chs.3, 5.
- [Add 1?]

7. The Costs and Benefits of Empire (March 13)

- P. J. Cain and A. G. Hopkins, *British Imperialism, 1688–2000*, 2nd ed. (Harlow, 2001), chs.5, 6
- Lance E. Davis and R.A. Huttenback, *Mammon and the Pursuit of Empire: The Political Economy of British Imperialism, 1860–1912*, abridged ed. (Cambridge, 1988), pp. 1-23, 83-87.
- Charles S. Maier, *Among Empires: American Ascendancy and its Predecessors* (Cambridge, MA 2006), chs.5-6, pp. 191-284.
- Avner Offer, “Costs and Benefits, Prosperity and Security, 1870–1914”, in Andrew Porter (ed.), *The Oxford History of the British Empire, vol. III: The Nineteenth Century* (Oxford/New York, 1999), pp. 690–711.

Spring Break: Mid-Term Book Review due March 27

8. The Gold Standard (March 27)

- Michael Bordo and Hugh Rockoff, “The Gold Standard as a ‘Good Housekeeping Seal of Approval’,” *Journal of Economic History*, 56, 2 (June 1996): pp. 389–428.
- Marcello de Cecco, *Money and Empire: The International Gold Standard, 1890–1914* (Oxford, 1973), ch.6, pp. 103-126.
- Richard Cooper, “The Gold Standard: Historical Facts and Future Prospects”, *Brookings Papers on Economic Activity*, 1 (1982), pp. 1-56.
- Barry Eichengreen, *Golden Fetters: The Gold Standard and the Great Depression, 1919-1939* (New York / Oxford, 1992), chs.1-2, pp. tk.

9. Inflation and Deflation between the Wars (April 3)

- Balderston, Theo, “War Finance and Inflation in Britain and Germany, 1914–1918”, *Economic History Review*, 2nd ser. 42, 2 (1989), pp. 222-244.
- Ben S. Bernanke, “The Macroeconomics of the Great Depression: A Comparative Approach,” *Journal of Money, Credit and Banking*, 27, 1 (Feb. 1995), pp. 1-28.
- Gerald D. Feldman, “Weimar from Inflation to Deflation: Experiment or Gamble?”, in Feldman and Müller-Luckner (eds.), *Nachwirkungen*, pp. 385-402.
- Milton Friedman and Anna J. Schwartz, *A Monetary History of the United States, 1867-1960* (Princeton: Princeton University Press, 1963), ch.7, pp. 299-419.

10. European Recovery and Integration (April 10)

Rawi Abdelal, *Capital Rules: The Construction of Global Finance* (Cambridge, MA / London: Harvard University Press, 2007), chs.3, 4, pp. 43-85.

Charles S. Maier, “The Two Post-War Eras and the Conditions for Stability in Twentieth Century Western Europe”, in idem, *In Search of Stability: Explorations in Historical Political Economy* (Cambridge, 1987), pp. 153–84.

Alan Milward, with the assistance of George Brennan and Federico Romero, *The European Rescue of the Nation-State* (London, 1992) chs.1-2.

Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*, (Ithaca NY, 1998), chs.5, 7.

11. The Crisis of Socialism (April 17)

Janos Kornai, *The Socialist System* (chapters on the production of scarcity and soft-money constraint), pp. 110-159, 228-301.

Stephen Kotkin, *Armageddon Averted: The Soviet Collapse, 1970-2000* (Oxford UP, 2001), chs.1-3, pp. 1-85

Charles S. Maier, *Dissolution: The Crisis of Communism and the End of East Germany*, (Princeton, 1997), ch. 2.

Andrei Shleifer and Robert W. Vishny (eds.), *The Grabbing Hand: Government Pathologies and Their Cures* (Cambridge, Mass. / London, 1998), chs.5, 6, 7.

12. The Global Financial Crisis (April 24)

Barry Eichengreen and Kevin O’Rourke, “A Tale of Two Depressions”, *Vox*, June 4, 2009, plus update March 8, 2010.

Carmen M. Reinhart and Kenneth S. Rogoff, *This Time is Different: Eight Centuries of Financial Folly* (Princeton, NJ, 2009), pp. 1-20, 51-99, 103-162, 199-230, 275-292.

National Commission on the Causes of the Financial and Economic Crisis in the United States
The Financial Crisis Inquiry Report: Final Report (Washington, D.C., 2011), chs. [to come]

Alan M. Taylor, “The Great Leveraging”, NBER Working Paper No. 18290 (August 2012)