

Public Policy 495

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

Josh Hausman

Course Information and Procedures

Location and time

Class meets Tuesday and Thursday 1:00-2:20pm in Weill 1220.

Description

In this course, we will study 20th century world economic history. 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. Most classes will start with a short reading quiz (see below).
2. There will be an in-class midterm on **12 October**.
3. There will be a final exam on **12 December 1:30-3:30pm**.
4. Students will write a short (400-600) word essay on their family's history due on **9 November**.
5. Students will write a 4-5 page (1000-1250 words) book review with a short first draft due on **26 October**, and the entire review due **30 November**.
6. Students will make a 7-8 minute presentation to the class on their book on **30 November** or **5 December**.

Grades will be weighted as follows:

- Reading quizzes and class participation: 15 percent.
- Essay on family history: 10 percent.
- First half of book review: 5 percent.
- Complete book review: 20 percent.
- Book review presentation: 5 percent.
- Midterm (on 10/12): 15 percent.
- Final (on 12/12): 30 percent.

Contact information and office hours

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Office hours (in Weill 3309): Thursdays, 2:30-4:30pm.

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

Electronic devices and the (lack of) remote options: In keeping with the University's goal to prioritize in-person classroom interaction this semester, the course will have no remote options. **There will be no lecture capture and no Zoom.** I expect students to attend all classes unless sick. If you are unable to attend class because you have Covid (or another illness), of course I will be happy to meet with you in office hours to answer questions about the class material that you missed. (And I understand that there may be a range of reasons other than illness why you may miss one or two classes. That is no problem.)

As part of the goal to have an engaged classroom environment, **no electronic devices of any kind are permitted in class, no phones, laptops, ipads, etc. I will make an exception if you would like to use a tablet or laptop for note-taking only.**

Recording class: Please do not make audio / video recordings of class or take pictures of the slides / blackboard.

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 writing and workload: Policy seminars are designed to emphasize writing skills. Thus this course features both extensive in-class and out-of-class writing.

The writing and reading required for this course will be time consuming: as expected for a four credit class, students will likely need to spend roughly 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.

Reading quizzes: To give you an incentive to do the readings before class (and to attend class!), most classes will begin with a one-question, three-to-ten-minute quiz. It will be a question that will be easy to answer if you have done the reading and difficult to answer if you have not. Since you may at some point have a good reason to miss class, I will drop your two lowest quiz scores.

Book review assignment details

The goal of this assignment is to give students the chance to explore in more detail an aspect of 20th century economic history of their choosing. Good reviews will (1) summarize the main argument of the book; (2) discuss how the book relates to other course readings; (3) describe at least one thing you learned from the book that surprised you; (4) discuss at least two things in the book that could be improved.

On the following page is a list of books to choose from.

Choose book and write a paragraph explaining choice (due 21 September, in hard copy at the beginning of class)

- By September 21, please choose what book you want to review, and bring a paragraph to class explaining why you chose the book.

First draft of book review (due 26 October, in hard copy at the beginning of class, 500-750 words / 2-3 pages):

- In this start to the book review, students should briefly summarize the argument of the book and relate the book to the other course readings. They should also discuss at least one thing in the book that surprised them.

Complete book review (due 30 November, in hard copy at the beginning of class, 1000-1250 words / 4-5 pages):

- Students will incorporate feedback from me to revise and expand the first half of the book review.
- For the final version of the book review, I would also like students to discuss what they think the author might have done better and / or what they wish the author had written more about.
- **Note:** It is useful challenge to confine your book review to 1250 words. Book reviews that are longer will receive a lower grade.

The book options are widely varying and good book reviews will come in many different forms. When we talk about writing in economics on 9/21, we will talk more about what a successful book review looks like.

Presentations

- Each student will give an 7-8-minute presentation to the class on 30 November or 5 December.
- A good presentation will tell the class how the book adds to or changes what we learned in the course.
- Also tell us whether you recommend the book!

Final exam question: Each student will get their own, personalized, final exam. The exam will include an essay question about their book review and / or book.

Books to choose from

1. World economic history
 - Frieden, Jeffrey A. 2020. *Global Capitalism: Its Fall and Rise in the Twentieth Century, and its Stumbles in the Twenty-First.*
 - Hobsbawm, Eric. 1994. *The Age of Extremes: A History of the World 1914-1991*
2. Regions / countries other than the U.S.
 - Eichengreen, Barry. 2008. *The European Economy since 1945: Coordinated Capitalism and Beyond.*
 - Johnson, Chalmers. *MITI and the Japanese Economic Miracle: The Growth of Industrial Policy, 1925-1975.*
 - Studwell, Joe. 2014. *How Asia Works.*
 - Tooze, Adam. 2008. *Wages of Destruction: The Making and Breaking of the Nazi Economy.*
 - Yew, Lee Kwan. 2000. *From Third World to First: The Singapore Story 1965-2000.*
3. U.S. specific topics
 - Boustan, Leah and Ran Abramitzky. 2022. *Streets of Gold: America's Untold Story of Immigrant Success.*
 - Boustan, Leah. 2020. *Competition in the Promised Land: Black Migrants in Northern Cities and Labor Markets.*
 - Case, Anne and Angus Deaton. 2021. *Deaths of Despair and the Future of Capitalism.*
 - Field, Alexander J. *The Economic Consequences of U.S. Mobilization for the Second World War.*
 - Gordon, Robert J. 2016. *The Rise and Fall of American Growth.*
 - Langlois, Richard N. 2023. *The Corporation and the Twentieth Century: The History of American Business Enterprise.*
 - Wright, Gavin. 2018. *Sharing the Prize: The Economics of the Civil Rights Revolution in the American South.*
4. The Great Depression
 - Eichengreen, Barry. 2015. *Hall of Mirrors: The Great Depression, the Great Recession, and the Uses---and Misuses---of History.*
 - Friedman, Milton and Anna Jacobson Schwartz. 1963. *The Great Contraction, 1929-1933.*
5. Inequality
 - Goldin, Claudia and Lawrence F. Katz. 2008. *The Race Between Education and Technology.*
 - Goldin, Claudia. 2021. *Career and Family: Women's Century-Long Journey toward Equity.*
 - Milanovic, Branko. 2016. *Global Inequality: A New Approach for the Age of Globalization.*
 - Piketty, Thomas. 2014. *Capital in the Twenty-First Century.*
 - Piketty, Thomas. 2020. *Capital and Ideology.*
6. Political economy (i.e. political consequences of macroeconomic changes).
 - Eichengreen, Barry. 2018. *The Populist Temptation: Economic Grievance and Political Reaction in the Modern Era.*
 - Frieden, Benjamin M. 2006. *The Moral Consequences of Economic Growth.*
7. (Auto)biography
 - Adelman, Jeremy. 2013. *Worldly Philosopher: The Odyssey of Albert O. Hirschman.*
 - Hobsbawm, Eric. 2003. *Interesting Times: A Twentieth-Century Life.*
 - Parker, Richard. 2006. *John Kenneth Galbraith: His Life, His Politics, His Economics*
 - Tignor, Robert L. 2020. *W. Arthur Lewis and the Birth of Development Economics.*

8. History of economic thought
 - Hayek, Friedrich A. 1944. *The Road to Serfdom*.
 - Keynes, John Maynard. Any of his books, but consult with me first.
9. Many of the books in this series would work well, but check with me first:
<https://press.princeton.edu/series/the-princeton-economic-history-of-the-western-world>.

Family history assignment details

How did the history of your family since 1870 or 1900 lead you to end up at the Ford School at the University of Michigan in 2023? How does your family's story reflect economic changes in the world since 1870?

The goal of this question is for you to reflect on how the broad themes we have discussed in class interact with your family's history. In particular, to what extent did you family benefit from economic growth after 1870? How was your family affected by economic inequalities across countries, gender, and / or race?

Please write 400-600 words; the essay is due at the beginning of class, in hard-copy on 9 November.

We will discuss this assignment in more detail when we discuss writing in economics on 21 September.

ChatGPT and writing assignments: You are welcome to use ChatGPT in whatever ways you think helpful. Of course you are ultimately responsible for the content and writing of all assignments. We will discuss ChatGPT and writing further in class on 9/21.

Readings

Required books (all are on reserve in student services)

DeLong, J. Bradford. 2022. [*Slouching Toward Utopia: An Economic History of the Twentieth Century*](#). New York: Basic Books.

McCloskey, Deirdre N. 2019. [*Economical Writing*](#). Chicago: University of Chicago Press. (Previous editions are fine.)

Spufford, Francis. 2010. [*Red Plenty*](#). Minneapolis, MN: Greywolf Press.

Other required readings

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

Daily schedule. All listed readings (except those for 8/29) are required. All readings should be done before class.

I. Introduction, overview, and the world economy before 1870

8/29: Introduction: what is economic history and why study it at a policy school?

- DeLong, J. Bradford, talk on *Slouching Towards Utopia: An Economic History of the 20th Century*. https://www.youtube.com/watch?v=b27NhwHzq_c&t=0s (Optional)
- World history background: [101 events](#). (Optional)

8/31: Looking forward from 1850

- DeLong, introduction.
- Marx, Karl and Friedrich Engels. 1848. *Manifesto of the Communist Party*. Sections I, II, and IV only (Pages 14-27, and p. 34 of the linked .pdf.)

II. 1870-1914

9/5: Globalization

- DeLong, chapter 1.
- Boustan, Leah. [Markus' Academy talk](#) on *Streets of Gold: America's Untold Story of Immigrant Success*, by Ran Abramitzky and Leah Boustan.

9/7: Technology, and U.S. living standards

- DeLong, chapter 2
- 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, chapter 2. (On Canvas.)

9/12: Politics and empire

- DeLong, chapters 3 and 4.

9/14: Global inequality

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

9/19: DeLong – book overview / discussion.

- DeLong, Conclusion.
- If possible, please attend Brad DeLong's talk after class, 2:30-3:50pm. Location to be determined.

9/21: Writing in economics. PARAGRAPH DUE EXPLAINING YOUR CHOICE OF BOOK TO REVIEW.

- McCloskey, Deirdre N. *Economical Writing*, pp. 1-118. (The pages are short!)

III. 1914-1945

9/26: World War I, the 1918 pandemic, and the 1920s.

- DeLong, chapters 5 and 6.

9/28: Transportation

- 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, chapter 5 only. (On Canvas.)
- Eli, Shari, Joshua K. Hausman, and Paul W. Rhode. 2023. *The Model T*. (On Canvas.)

10/3: The Great Depression

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

10/5: Socialism

- DeLong, chapter 8.
- Luxemburg, Rosa. 1918. *The Russian Revolution*. Chapter 6 only, "[The Problem of Dictatorship](#)."
- *Red Plenty*, part I, pp. IX-77.

10/10: Fascism and World War II.

- DeLong, chapters 9 and 10.

10/12: MIDTERM

IV. 1945-1973

10/19: The immediate aftermath of World War II and the Cold War

- DeLong, chapter 11.
- Eichengreen, Barry. 2008. *The European Economy since 1945: Coordinated Capitalism and Beyond*. Chapter 3. (On Canvas.)

10/24: Economic development and the global south.

- DeLong, chapter 12.
- Dasgupta, Partha. *Economics: A Very Short Introduction*. Oxford: Oxford University Press, 2007, pp. 1-13 only. (On Canvas.)

10/26: Inclusion. FIRST DRAFT OF BOOK REVIEW DUE.

- DeLong, chapter 13.
- Watch Claudia Goldin "Journey Across a Century of Women," <https://www.nber.org/lecture/2020-martin-feldstein-lecture-journey-across-century-women>.

10/31: The economics of slavery and racism

- Logan, Trevon D. "[American Enslavement and the Recovery of Black Economic History](#)," *Journal of Economic Perspectives* 36 (Spring 2022): 81-98.
- Darity, William Jr., A. Kirsten Mullen, Marvin Slaughter. "[The Cumulative Costs of Racism and the Bill for Black Reparations](#)," *Journal of Economic Perspectives* 36 (Spring 2022): 99-122.
- Wright, Gavin. "[Slavery and the Rise of the Nineteenth-Century American Economy](#)," *Journal of Economic Perspectives* 36 (Spring 2022): 123-148.

11/2: Social democracy in the global north

- DeLong, chapter 14.

11/7: The Soviet Union and the Eastern Bloc.

- *Red Plenty*, parts II and III, pp. 81-201.
- Eichengreen. Barry. 2008. *The European Economy since 1945: Coordinated Capitalism and Beyond*. Chapter 5. (On Canvas.)

V. 1973-

11/9: Neoliberalism. ESSAY ON FAMILY HISTORY DUE.

- DeLong, chapter 15.

11/14: The end of real, existing socialism

- *Red Plenty*, parts IV-VI, p. 205-362.
- Krugman, Paul. 1994. "The Myth of Asia's Miracle." *Foreign Affairs*, 73:6, pp. 62-78. (On Canvas.)

11/16: Globalization and China

- DeLong, chapter 16.
- Naughton, Barry. "[Is China Socialist?](#)" *Journal of Economic Perspectives* 31 (Winter 2017): 3-24.
- A reading to be determined.

11/21: Informal discussion

11/28: Recession, pandemic and the U.S. economy today

- DeLong, chapter 17.
- A reading to be determined.

11/30: Presentations. COMPLETE BOOK REVIEW DUE.

12/5: Presentations.

12/12: FINAL. 1:30pm-3:30pm. (In our normal classroom, Weill 1220.)

Ford School Policies

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

Ford School Public Health Protection Policy: In order to participate in any in-person aspects of this course--including meeting with other students to study or work on a team project--you must follow all the public health safety measures and policies put in place by the State of Michigan, Washtenaw County, the University of Michigan, and the Ford School. Up to date information on U-M policies can be found [here](#). It is expected that you will protect and enhance the health of everyone in the Ford School community by staying home and following self-isolation guidelines if you are experiencing any symptoms of COVID-19

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, both those relating to the pandemic and other issues such as strained relationships, increased anxiety, alcohol/drug problems, and depression, can directly impact students' academic performance and overall wellbeing. If you or someone you know is feeling overwhelmed, depressed, and/or in need of support, services are available.

You may access the Ford School's embedded counselor Paige Ziegler (contact information TBD) and/or counselors and urgent services at [Counseling and Psychological Services \(CAPS\)](#) and/or [University Health Service \(UHS\)](#). Students may also use the Crisis Text Line (text '4UMICH' to 741741) to be connected to a trained crisis volunteer. You can find additional resources both on and off campus through the [University Health Service](#) and through [CAPS](#).

Accommodations for Students with Disabilities: The University of Michigan recognizes disability as an integral part of diversity and is committed to creating an inclusive and equitable educational environment for students with disabilities. Students who are experiencing a disability-related barrier should contact Services for Students with Disabilities (<https://ssd.umich.edu/>; 734-763-3000 or ssdoffice@umich.edu). For students who are

connected with SSD, accommodation requests can be made in Accommodate. If you have any questions or concerns please contact your SSD Coordinator or visit SSD's Current Student webpage. SSD considers aspects of the course design, course learning objects and the individual academic and course barriers experienced by the student. Further conversation with SSD, instructors, and the student may be warranted to ensure an accessible course experience.

Academic Integrity: The Ford School academic community, like all communities, functions best when its members treat one another with honesty, fairness, respect, and trust. We hold all members of our community to high standards of scholarship and integrity. To accomplish its mission of providing an optimal educational environment and developing leaders of society, the Ford School promotes the assumption of personal responsibility and integrity and prohibits all forms of academic dishonesty, plagiarism and misconduct. Academic dishonesty may be understood as any action or attempted action that may result in creating an unfair academic advantage for oneself or an unfair academic advantage or disadvantage for any other member or members of the academic community. Plagiarism involves representing the words, ideas, or work of others as one's own in writing or presentations, and failing to give full and proper credit to the original source. Conduct, without regard to motive, that violates the academic integrity and ethical standards will result in serious consequences and disciplinary action. The Ford School's policy of academic integrity can be found in the [MPP BA](#), and [PhD Program](#) handbooks. Additional information regarding academic dishonesty, plagiarism and misconduct and their consequences is available [here](#).

Use of Technology: Students should follow instructions from their instructor as to acceptable use of technology in the classroom, including laptops, in each course. All course materials (including slides, assignments, handouts, pre-recorded lectures or recordings of class) are to be considered confidential material and are not to be shared in full or part with anyone outside of the course participants. Likewise, your own personal recording (audio or video) of your classes or office hour sessions is allowed only with the express written permission of your instructor. If you wish to post course materials or photographs/videos of classmates or your instructor to third-party sites (e.g. social media), you must first have informed consent. **Without explicit permission from the instructor and in some cases your classmates, the public distribution or posting of any photos, audio/video recordings or pre-recordings from class, discussion section or office hours, even if you have permission to record, is not allowed and could be considered academic misconduct**

Please review additional information and policies regarding [academic expectations and resources](#) at the Ford School of Public Policy.