**Part IIB Paper 14 World Depression in the Inter-War Years**

**Paper Co-ordinator: Dr S N Solomou, ss19@cam.ac.uk**

**Paper Content**
This course provides students with a survey and analysis of the inter-war experience of a number of countries and the world economy. In the Michaelmas term we will cover national case studies, including Germany, the USA and a number of Periphery economies. In the Lent term the course develops a thematic economic analysis of the inter-war period, drawing on comparative evidence.

**Aims**
- To encourage students to analyse historical evidence.
- To encourage students to use economic theory in historical analysis.
- To use history to evaluate economic theories.
- To emphasise to students the importance of historical shocks and long run structural changes in influencing the economic performance of nations and the world economy.
- To understand the role of economic policy both in generating and solving economic problems.

**Lecture Courses**
- **Interwar Germany** (Dr C Ristuccia and Dr S N Solomou, 8 Lectures, Michaelmas Term)
- **Interwar USA** (Dr C Ristuccia and Dr S N Solomou, 8 Lectures, Michaelmas Term)
- **World Depression in the Inter-war Period: Comparative Themes** (Dr S N Solomou, 16 Lectures (Lent Term))
- **Interwar Banking Crises** (Dr C Ristuccia, 4 Lectures, (Lent Term))

**Comparative Themes**
- **Interwar Business Cycles and Episodic Economic Growth**
  - Interwar Business cycles and adjustment to shocks
  - Long economic cycles: Kuznets swings and Kondratieff waves
  - General Purpose Technology and interwar economic growth

- **Trade Policy**
  - Protectionism, depression and recovery
  - Bilateralism and trading blocs
  - The tariff-growth paradox
  - National trade policy effects in 1930s

- **Exchange Rate Regimes and Economic Policy**
  - The Gold Standard and the Great Depression
  - Exchange rate regimes and economic performance in 1920s
  - Devaluation and economic recovery in the 1930s
  - Policy regime change in 1930s

- **Unemployment**
  - Heterogeneity in national interwar unemployment
  - National Case Studies
  - Unemployment persistence

- **Banking Crises**
  - Banking systems, inflation and financial instability
  - Twin crises, panics, and contagion
  - Regulatory solutions in international comparison
  - The Effects of Interwar Banking Crises

**General Readings**
Solomou, S.N.: Themes in Macroeconomic History (Cambridge, 1996)
Temin, P.: Lessons from the Great Depression (MIT, 1989)

Examination
The examination paper consists of four essays in three hours. Past exam papers are available on the Faculty’s webpage.