

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

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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, MichaelmasTerm)

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

Eichengreen, B.: *Golden Fetters* (Oxford, 1992).

Kindleberger, C.P.: *The World in Depression* (1973).

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.