

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 world economy. In the Michaelmas term, we will focus on the German and American economies in an international perspective. 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 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

Michaelmas Term 2020

The German Interwar Economy (Dr Cristiano Ristuccia, 8 Lectures, Michaelmas Term).

The course will provide an analysis of German Economic History, 1919-39. The topics considered will include: the Treaty of Versailles, Reparations and Hyperinflation; The Currency Stabilisation and economic recovery of the 1920s; the German Slump 1928-32 and Economic Recovery 1932-38.

The USA Interwar Economy (Dr Solomos Solomou, 8 Lectures, Michaelmas Term).

This introductory part of the course provides students with a survey of the inter-war economic history of America. In doing so we will also evaluate the idea that the world depression was transmitted from the USA to other parts of the world economy. The following topics will be covered:

- Introduction: The US Inter-War Economy
- The “Roaring 1920s” as a New Economic Era
- Explanations of US Depression of 1920-1
- Financial Trends in the 1920s
- Competing Explanations of the Great Contraction 1929-33
- Explanations of the Persistence of the US Great Depression
- The New Deal, Policy Regime Change and Economic Recovery 1933-42
- USA Unemployment Experience

Lent Term 2021

World Depression in the Inter-War Period: Comparative Themes (Dr Solomos Solomou, 16 Lectures, Lent term)

International Transmission of the Global Depression

- Was the Great Depression Transmitted from the USA?
- Transmission from the European Economies
- The role Primary Producing Economies
- Global Transmission: Macroeconomic Policy Frameworks, Trade Policy, Financial Contagion

Business Cycles and Financial Instability

- Interwar Business cycles and adjustment to shocks
- Long economic cycles: Kuznets swings and Kondratieff waves
- Credit Cycles and the Real Economy
- General Purpose Technology and long cycles in economic growth
- Financial instability, Financial Contagion and the Effects of Interwar Banking Crises

Trade Policy

- Protectionism, depression and recovery
- Bilateralism, trading blocs and trade collapse
- The tariff-growth paradox in an inter-war context
- National trade policy in the 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

General Background 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

For details of the examination structure, please refer to the Form and Conduct Notice pages on Moodle.

Supervisions

Course Outline 2020-2021

Students will receive a total of 8 supervisions over the academic year. These will be organised by the Paper co-ordinator.