

UNIVERSITY OF TORONTO
Department of Economics

ECONOMICS 342H1S L0101: INTERNATIONAL ECONOMICS AFTER 1945
Winter, 2023 (Tuesdays, 10:00 AM - 1:00 PM and Fridays 9-10 AM)

Kieran Furlong k.furlong@utoronto.ca
Office Hours: (Zoom online)

ECO342H1S is an in-person course, though students will submit their reviews and essay online and I will conduct office hours through Zoom.

I will post readings and complete lecture notes in advance so that you can prepare for our seminars (10:10 to 11:00 AM on Tuesdays and 9:10 to 10:00 AM on Fridays EST) and our lectures from 11:10 AM - 1:00 PM EST on Tuesdays. You will submit your one-page reading reviews and 15-page essay as Original assignments on our Quercus page. We will use our Friday time period (9:10 -10:00 AM EST) for our midterm on March 4, and for one of the seminar groups for the other Fridays..

<u>Evaluation</u>	Two One-Page Seminar Reviews (5% each)		10%
	Seminar Participation (Up to one potential mark per 11 seminars)		11%
	Midterm Exam February 17: 9:00 – 10:00 AM	1	4%
	15 page essay due March 21 by midnight		25%
	Final Exam (3 hours) Final Exam Period (April 11 - 29)		40%

This course surveys the interplay of exchange rates, international trade, technical change, and growth in the Bretton Woods and post-Bretton Woods eras of the post-World War II boom, the inflation of the 1970s, and the slower growth of the 1980s and 1990s. There are no textbooks, though we have significant readings from Eichengreen (2008). Instead we rely on readings that are I will post on the website.

The following explanation of procedures and evaluation of the course should clarify your responsibilities in the course. Please read it carefully, since this is particularly important in our present circumstances. I will answer questions on this outline in the first hour of the first lecture. If you have any issues, you need to ask me then. Please take advantage of this, since students must familiarize themselves with the requirements of the course.

The one-hour midterm (Friday, February 17, 9:00 – 10:00 AM) will take place in SS1073. The 3-hour final exam (during the final examination period, April 11-29) will be in-person. You will have a choice of 2 out of 3 essay-type questions for the midterm and of 5 out of 8 essay-type questions on the final. You must answer these questions in your own words. Students who miss the midterm for a documented medical reason will write 7, rather than 5, of the 8 questions on the final in 4, rather than 3 hours. If you were to miss the final for some legitimate documented reason, you would write a make-up final, but unfortunately the questions will be much harder since I will have already used the fairest questions for the rest of the class. In short, do not miss an exam unless you are incapacitated.

The 15-page essay (i.e., 15 double spaced pages with normal margins and 12-point type, not including bibliography) analyzes specific primary and secondary sources on one of three topics specified by me concerning issues discussed in the course. You will submit your essay to Original on our course site in Quercus by March 21. Since I will provide the readings online, I will not give any extensions. The penalty for lateness is a modest 1% (of 100%) per day up to the last day of class, which is another reason why I will not give extensions.. Late essays are not eligible for remarking. The Faculty of Arts and Science Writings Centres are online this term at <https://writing.utoronto.ca/writing-centres/arts-and-science>. You may wish to consult them for help with your writing. You may have to discuss your essay orally with me to confirm that it is yours.

ECO342H1 L0101. Winter, 2023: Outline...

Each student will also submit 2 one-page (12 point type, double-spaced, normal margins) written, not point form, reviews of designated pages by one of our authors by 10:00 AM on the Tuesday of the week of your review for a potential 5 marks each. Note that there are two different readings each seminar; you are to sign up for only one of them. You will sign up for the readings that you review in either the Tuesday or the Friday seminar group in the Reviews tabs under People in Quercus. Students will sign up initially for Review 1 to present in the first 6 weeks and then will sign up later for the second review to present in the last 5 weeks. Note that there will be only enough review choices as students so that you need to sign up for a review immediately or risk having no available choice. Please submit your review as doc or docx files to the Assignment page for your group on Quercus. Your review must be entirely on the pages that you are supposed to read; there should be no reference to ideas beyond those readings, although you may consult my notes or other sources to clarify your understanding. The purpose of these reviews is to improve your ability to convey the essence of a reading, not merely to summarize various points, which is why I will deduct 1 mark of the 5 marks for any review that is more than one page or without the proper format. Our TA will edit your review to give feedback on improving your writing, which you can apply in your 15-page essay. The reviews will also help you understand two of our issues as an added bonus. See the *Academic Integrity Statement* below for proper sourcing and writing on reviews and the essay.

You also acquire marks for participating in the seminars from 10:10 to 11:00 AM on Tuesdays or 9:10 to 10:00 AM on Fridays. Your seminar group will be the seminar that you signed up for to submit your review. We will assign per seminar ½ mark for a comment relevant to the material and another ½ mark for a comment that actually contributes to the understanding of other students, for a potential of 11 marks during the term.. There are, of course, 0 marks for no comment. You will not receive marks for participating in the lecture discussions, but these will be vital for your understanding.

OUTLINE OF LECTURES, SEMINARS, AND READINGS (POSTED ON WEBSITE)

January 10 **European Growth, 1945 -1992: An Overview**

‘Post-war Growth: An Overview’. Nicholas Crafts and Gianni Toniolo (1996), *Economic Growth in Europe since 1945*, pp. 1-37

January 17 Seminar: Crafts & Toniolo (1996), pp.8-16; pp. 17-25

Lecture: **Bretton Woods Regime: 1945-1971**

‘The Bretton Woods System’. Barry Eichengreen. *Globalizing Capital*, 2008, Ch. 4, pp. 91-122

January 24 Seminar: Eichengreen (2008), pp. 91-104; pp. 104-118

Lecture: **Reconstruction of Europe: 1945 -1970**

‘Conclusions’. A.S. Milward (1984) *The Reconstruction of Western Europe: 1945-51*, pp. 356-85.
‘Remedies’. J.M. Keynes (1919), *Economic Consequences of the Peace*, , ch. VII

January 31 Seminar: Milward (1984) ‘Argument’, pp. 366-85; J.M. Keynes (1919), pp. 261-82.

Lecture: **Export-led Growth**

‘Balance of Payments Constrained Growth Models: History and Overview’. A. P. Thirlwall (2012) in *Models of Balance of Payments Constrained Growth*, Elias Soukiakis and Pedro Andre Cerquera, pp. 11-43.

ECO342H1 L0101. Winter, 2023: Outline...

“Why did the Tariff-Growth Correlation Change after 1950?”, Clemens, Michael A. and Jeffrey G. Williamson (March, 2004), *Journal of Economic Growth*, Vol. 9, No. 1, pp. 5-56.

February 7 Seminar: Thirlwall (2012): pp. 11-20, 41-43; Clemens *et al* (2004): pp. 5-12, 30-31.

Lecture: **Convergence and Catch-up: Solow Growth Model**

“A Contribution to the Empirics of Economic Growth”. N. Gregory Mankiw, David Romer and David N. Weil. *Quarterly Journal of Economics*, Vol. 107, No. 2 (May, 1992), pp. 407-437.

February 14 Seminar: Mankiw *et al*, pp. 407-415; pp. 415-429

Lecture: **Endogenous Growth and Technological Change**

“The Rise and Fall of American Technological Leadership: The Postwar Era in Historical Perspective”. Richard R. Nelson and Gavin Wright (December, 1992), *Journal of Economic Literature*, Vol. XXX, pp. 1931-1964.

“Adam Smith, Allyn Young, and the Division of Labor”. Ramesh Chandra (Sep., 2004), *Journal of Economic Issues*, Vol. 38, No. 3, pp. 787-805

FEBRUARY 17 MIDTERM 9:00-10:00 AM

February 28 Seminar: Nelson and Wright (1992): pp. 1950-1962; Chandra (2004), pp. 787-805.

Lecture: **Savings and Investment**

“The Golden Age of European Growth Reconsidered”. Peter Temin (April, 2002). *European Review of Economic History*, Vol. 6, No. 1, pp. 3-22.

Lucas, Robert E. Jr. (1988), “On the Mechanics of Economic Development”. *Journal of Monetary Economics*, 22, pp. 3-42.

March 7 Seminar: Temin (2002): pp. 9-19; Lucas (1988), Sections 3 and 6, pp. 12-17 and 35-39

Lecture: **Japan**

“The Post-war Japanese Economy, 1945-73”. Yukata Kosai (1997) in Kozo Yamamura (ed.) *Economic Emergence of Modern Japan*, 1997, Chapter 4, pp. 159-202

“Postwar Recovery (1945 – 1964)”. David Flath, *The Japanese Economy*, (2005), pp 71 - 92.

March 14 Seminar: 1950-1962; Kosai (1997): pp. 159-170; Flath (2005): pp. 85-92

Lecture: **Dollar Crisis and Collapse of Bretton Woods**

“Battle for Sterling’ and ‘Crisis of the \$’. Barry Eichengreen. *Globalizing Capital* (2008) 122-134

“The Bretton Woods International Monetary System: A Historic Overview”. Michail D. Bordo (1993) in Michael D. Bordo and Barry J. Eichengreen, *A Retrospective on the Bretton Woods system: lessons for international monetary reform* (1993), pp. 4-97.

ECO342H1 L0101. Winter, 2023: Outline...

March 21 Seminar: Eichengreen (2008), pp. 122-134; Bordo (1993), pp. 73-85

Lecture: **The Oil Crisis and Inflation**

“Black Gold: The End of Bretton Woods and the Oil-Price Shocks of the 1970s”, David Hammes and Douglas Wills, *The Independent Review*, Vol. 9, No. 4 (Spring 2005), pp. 501-511

“The International Role and Fate of the Dollar”, Robert Triffin (Winter, 1978), *Foreign Affairs*, Vol. 57, No. 2, pp. 269-86.

March 28 Seminar: Hammes and Wills (2005), pp. 501-511; Triffin (1978): pp. 269-79

Lecture: **Developing Countries: Import Substitution or Export-led?**

“Brave New World’ and ‘Asian Crisis’, Barry Eichengreen. *Globalizing Capital*, 2008, 185-198

“Trade can be Good for Development”. Joseph E. Stiglitz and Andrew Charlton in *Fair Trade for All: How Trade Can Promote Development, Initiative for Policy Dialogue Series C*, 2005, p.11-40

April 4 Seminar: Eichengreen (2008): pp.185-198; Stiglitz (2005): pp. 11 -22

Lecture: **Brexit and Trump: Migration and Convergence**

“A Dual Policy Paradox: Why Have Trade and Immigration Policies Always Differed in Labor-Scarce Economies?”. Timothy J. Hatton and Jeffrey G. Williamson in Jeffrey G. Williamson *et al*, *The New Comparative Economic History*, 2014, pp. 217-240.

“Migration continent Europe”, Tomáš Sobotka. *Vienna Yearbook of Population Research, Vol. 7, Impact of migration on demographic change and composition in Europe* (2009), pp. 217-233

VIDEO RECORDING STATEMENT

This course, including your participation, will be recorded on video and will be available to students in the course for viewing remotely and after each session.

Course videos and materials belong to your instructor, the University, and/or other sources depending on the specific facts of each situation and are protected by copyright. Do not download, copy, or share any course or student materials or videos without the explicit permission of the instructor.

For questions about the recording and use of videos in which you appear, please contact your instructor.

OUR ORIGINAL STATEMENT

“Normally, students will be required to submit their course essays to Ouroriginal.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Ouroriginal.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University’s use of the Ouroriginal.com service are described on the Ouroriginal.com web site.”

ACADEMIC INTEGRITY STATEMENT AND SITE

All suspected cases of academic dishonesty will be investigated following procedures outlined in the Code of Behaviour on Academic Matters. If you have questions or concerns about what constitutes appropriate academic behaviour or appropriate research and citation methods, please reach out to me. Note that you are expected to seek out additional information on academic integrity from me or from other institutional resources (for example, the [University of Toronto website on Academic Integrity](#)).

ECO342H1 L0101. Winter, 2023: Outline...

EQUITY, DIVERSITY, AND INCLUSION

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.