

# Econ 460: Senior Seminar in Politics, Philosophy, and Economics (PPE)

Provisional Syllabus:

Professor: Mark Koyama

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Office Hrs: by request

This course comprises the economics capstone for the concentration in Politics, Philosophy and Economics (PPE). I will provide a survey of the economic history of the 20th century as I believe this provides the best introduction to many of the most important topics that concern PPE scholars. We will discuss topics such as globalization and imperialism, socialism and fascism, economic development, and inequality.

It is a reading-intensive seminar. It is important to do the readings *prior* to coming to class. You are expected to attend every class. Absence from class has to be either requested in advanced or be due to a university-sanctioned reason.

Class participation is an important component of this class. You receive points for general class participation and for specific presentation assignments. There are two exams: a midterm and final. These will be conducted in class on your laptops using the lockdown browser.

This syllabus is subject to revision and an updated version will be kept on Blackboard. I may add or remove readings during the semester.

Required books:

- Mark Koyama and Jared Rubin, *How the World Became Rich* Cambridge: Polity Press, 2022
- Bradford DeLong, *Slouching Towards Utopia* New York: Basic Books, 2022
- Lawrence H. White, *The Clash of Economic Ideas* Cambridge: Cambridge University Press, 2012

We will also watch sections from the Commanding Heights, PBS Documentary

## Learning Objectives

- This course will give students new insights into important debates in PPE from a historical perspective.
- Students will learn about how the lessons of the economic history of the 20th century inform our understanding of contemporary policy debates.
- Students will employ techniques and concepts from microeconomic and macroeconomics and econometrics. They will learn how to read and understand research papers in economics.

- This course will give students an opportunity to develop their communication and presentation skills.

## Course Assignments and Assessment

- Class Participation/Attendance: 15 %
- Discussion/Presentation Assignments: 20%
- Midterm: 25 %
- Final Exam 40%

## 1 Course Outline

### Jan 16 Origins of Capitalism and Modern Economic Growth

- Mark Koyama and Jared Rubin, *How the World Became Rich* Cambridge: Polity Press, 2022, Chapter 1.
- Daniel Halliday and John Thrasher, *The Ethics of Capitalism: An Introduction* Oxford: Oxford University Press, 2020, Chapter 2.

### Jan 22 The First Age of Globalization

- Mark Koyama and Jared Rubin, *How the World Became Rich* Cambridge: Polity Press, 2022, Chapter 9.
- Bradford DeLong, *Slouching Towards Utopia* New York: Basic Books, 2022, Chapters 1-3
- Paul W, Rhode, North America: The Rise of US Technological and Economic Leadership in Stephen Broadberry and Kyoki Fukao, editors, *The Cambridge Economic History of the Modern World* Cambridge: Cambridge University Press, 2021.

### Jan 29 World War 1

- Broadberry, S (2018), 'World War I: Why the Allies won', in Broadberry, S and M Harrison (eds), *The Economics of the Great War: A Centennial Perspective*, CEPR Press, Paris & London. <https://cepr.org/publications/books-and-reports/economics-great-war-centennial-perspective>
- Jari Eloranta and Mark Harrison, War and Disintegration, 1914-1950 in S. Broadberry and K.H. O'Rourke, *The Cambridge economic history of modern Europe*, volume 2: 1870 to the Present Cambridge Univ Pr, 2010
- Bradford DeLong, *Slouching Towards Utopia* New York: Basic Books, 2022, Chapter 5.

## Feb 6 Socialism

Lawrence H. White, *The Clash of Economic Ideas* Cambridge: Cambridge University Press, 2012, Chapter 2. Daniel Halliday and John Thrasher, *The Ethics of Capitalism: An Introduction* Oxford: Oxford University Press, 2020, Chapter 5.

Paper for discussion/student presentation:

Daron Acemoglu et al., War, Socialism, and the Rise of Fascism: an Empirical Exploration, *The Quarterly Journal of Economics* 137, Nr. 2 2023

## Feb 13 The Great Depression

- Nicholas Crafts and Peter Fearon, *Depression and Recovery in the 1930s: An Overview*, in: Nicholas Crafts and Peter Fearon, editors, *The Great Depression of the 1930s: Lessons for Today* Oxford: Oxford University Press, 2013
- Hu McCulloch, <https://www.cato.org/blog/world-war-i-gold-great-depression>

Paper for discussion/student presentation:

- Harold L. Cole and Lee E. Ohanian, New Deal Policies and the Persistence of the Great Depression: A General Equilibrium Analysis, *Journal of Political Economy* 112, Nr. 4 2004

## Feb 20 Soviet Communism

- Bradford DeLong, *Slouching Towards Utopia* New York: Basic Books, 2022, Chapter 8.
- Chapter 7 in Boettke01.

Paper for discussion/student presentation:

- Natalya Naumenko, The Political Economy of Famine: The Ukrainian Famine of 1933, *The Journal of Economic History* 81, Nr. 1 2021

## Feb 27 The Nazi Economy and WW2

- Adam Tooze, *The Wages of Destruction* London: Allan Lane, 2006, Selections.
- Bradford DeLong, *Slouching Towards Utopia* New York: Basic Books, 2022, Chapter 10.
- Lawrence H. White, *The Clash of Economic Ideas* Cambridge: Cambridge University Press, 2012, Chapter 6.

Paper for discussion/student presentation:

- Hans-Joachim Voth et al., Bombs, Broadcasts and Resistance: Allied Intervention and Domestic Opposition to the Nazi Regime during World War II, CEPR Discussion Papers 15292 C.E.P.R. Discussion Papers, September 2020

- Sascha O. Becker and Hans-Joachim Voth, From the Death of God to the Rise of Hitler October 2023
- Nico Voigtländer and Hans-Joachim Voth, Highway to Hitler, *American Economic Journal: Applied Economics* Forthcoming 2024

## **March 5 Spring Break**

## **2 Part 2:**

## **March 11 Midterm**

## **March 18 The Post-World War 11 Era**

- Nicholas Crafts and Gianni Toniolo, Aggregate growth, 1950-2005 in S. Broadberry and K.H. O'Rourke, *The Cambridge economic history of modern Europe*, volume 2: 1870 to the Present Cambridge Univ Pr, 2010.
- Lawrence H. White, *The Clash of Economic Ideas* Cambridge: Cambridge University Press, 2012, Chapter 7.

## **March 25 The Problem of the “Third World”**

- Mark Koyama and Jared Rubin, *How the World Became Rich* Cambridge: Polity Press, 2022, Chapter 10
- Bradford DeLong, *Slouching Towards Utopia* New York: Basic Books, 2022, Chapters 12

## **April 2 Inflation and the Collapse of the Keynesian Consensus**

- Lawrence H. White, *The Clash of Economic Ideas* Cambridge: Cambridge University Press, 2012, Chapter 12.
- Bradford DeLong, *Slouching Towards Utopia* New York: Basic Books, 2022, Chapters 15

Paper for discussion/student presentation:

- Milton Friedman, The Role of Monetary Policy, *American Economic Review* 58 1968
- J. Bradford DeLong, *America's Peacetime Inflation: The 1970s*, in: Christina Romer and David Romer, editors, *Reducing Inflation: motivation and strategy*, volume 30, NBER Chicago: University of Chicago Press, 1997

### **3 Part 3:**

#### **April 9 . The “Neoliberal” Economic Order**

Paper for discussion/student presentation:

- William Easterly, In Search of Reforms for Growth: New Stylized Facts on Policy and Growth Outcomes, Working Paper 26318 National Bureau of Economic Research, September 2019, [⟨URL: http://www.nber.org/papers/w26318⟩](http://www.nber.org/papers/w26318)
- Kevin B. Grier and Robin M. Grier, The Washington consensus works: Causal effects of reform, 1970-2015, *Journal of Comparative Economics* 49, Nr. 1 2021

*Note: Additional readings will be added*

#### **April 16 Globalization**

Paper for discussion/student presentation:

- David H. Autor, David Dorn and Gordon H. Hanson, The China Syndrome: Local Labor Market Effects of Import Competition in the United States, *American Economic Review* 103, Nr. 6 October 2013
- David Autor et al., Help for the Heartland? The Employment and Electoral Effects of the Trump Tariffs in the United States 2023

*Note: Additional readings will be added*

#### **April 23 Within-Country Inequality**

Paper for discussion/student presentation:

- Emmanuel Saez and Gabriel Zucman, The Rise of Income and Wealth Inequality in America: Evidence from Distributional Macroeconomic Accounts, *Journal of Economic Perspectives* 34, Nr. 4 Fall 2020
- Gerald Auten and David Splinter, Income inequality in the United States: Using tax data to measure long-term trends 2023

*Note: Additional readings will be added*

Final Exam

## 4 Course Policies

### 1. George Mason University Honor System and Code

#### *Honor Code*

George Mason University has an Honor Code, which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited.

All violations of the Honor Code will be reported to the Honor Committee.

Plagiarism (statements from Mason Web Site)

Plagiarism means using the exact words, opinions, or factual information from another person without giving that person credit.

<http://mason.gmu.edu/~montecin/plagiarism.htm#plagiarism>

Use on ChatGPT or other similar software also constitutes cheating. I will check all exams and research papers for sign of AI use and will automatically fail students who have used it. Please familiarize yourself with the Honor System and Code, as stated in the George Mason University Undergraduate Catalog. When you are given an assignment as an individual, the work must be your own. Some of your work may be collaborative; source material for group projects and work of individual group members must be carefully documented for individual contributions.

The integrity of the University community is affected by the individual choices made by each of us. Mason has an Honor Code with clear guidelines regarding academic integrity. Three fundamental and rather simple principles to follow at all times are that: (1) all work submitted be your own; (2) when using the work or ideas of others, including fellow students, give full credit through accurate citations; and (3) if you are uncertain about the ground rules on a particular assignment, ask for clarification. No grade is important enough to justify academic misconduct. Plagiarism means using the exact words, opinions, or factual information from another person without giving the person credit. Writers give credit through accepted documentation styles, such as parenthetical citation, footnotes, or endnotes. Paraphrased material must also be cited, using the appropriate format for this class. A simple listing of books or articles is not sufficient. Plagiarism is the equivalent of intellectual robbery and cannot be tolerated in the academic setting. If you have any doubts about what constitutes plagiarism, please see me.

### 2. Class Registration

Students are responsible for verifying the accuracy of their own schedules. Students need to check PatriotWeb regularly to verify that they are registered for the classes that they think they are. This is particularly important since students are no longer dropped for nonpayment. Faculty may not allow a student who is not registered to continue to attend class and may not grade the work of students who do not appear on the official class roster.

Deadlines each semester are published in the Schedule of Classes available from the Registrar's Web Site [registrar.gmu.edu](http://registrar.gmu.edu)

After the last day to drop a class, withdrawing from this class requires the approval of the dean and is only allowed for nonacademic reasons. Undergraduate students may choose to exercise a selective withdrawal. See the Schedule of Classes for selective withdrawal procedures.

### **3. Accommodations for students with disabilities:**

Students can begin the registration process with Disability Services at any time during their enrollment at George Mason University. If you are seeking accommodations, please visit <http://ds.gmu.edu/> for detailed information about the Disability Services registration process. Disability Services is located in Student Union Building I (SUB I), Suite 2500. Email: [ods@gmu.edu](mailto:ods@gmu.edu) — Phone: (703) 993-2474

The need for accommodations should be identified at the beginning of the semester and the specific accommodation has to be arranged through the Office of Disability Resources. Faculty cannot provide accommodations to students on their own (e.g. allowing a student extra time to complete an exam because the student reports having a disability).

### **3. Religious Holidays**

As per GMU policy, I will do my best to accommodate student absences due to religious holidays (or for other university sanction reasons). Please let me know within the first two weeks of the semester whether the midterm exam dates conflict with the dates of major religious holidays on which the student will be absent or unavailable due to religious observances.

### **4. Grading Policy**

Students can schedule a meeting to discuss grades either to better understand their grade or if they believe a mistake has been made in grading. However, let me be clear about what to expect from such conversations. It is not acceptable for a student to come to me with a general objection, such as "I thought I did better on this paper" or "I need an A" or "I need to graduate". Your grade is based on your *work*, not on your expected performance or you as a person. I only change grades, if a mistake has been made in the grading process. There is no opportunity to "fix" grades. I do not offer extra assignments or extra credit at the end of the semester to help you reach the grade you want. If I did so, I would offer the opportunity to everyone in the class. If I add in other elements to your grade that do measure actual learning, such as your desired GPA or graduate school ambitions, I would be corrupting the purpose of grading and acting unethically.

## **References**

Acemoglu, Daron et al.: War, Socialism, and the Rise of Fascism: an Empirical Exploration, *The Quarterly Journal of Economics* 137, Nr. 2 2023, 1233–1296

- Auten, Gerald and Splinter, David: Income inequality in the United States: Using tax data to measure long-term trends 2023, Unpublished manuscript. At [davidsplinter.com](http://davidsplinter.com)
- Autor, David et al.: Help for the Heartland? The Employment and Electoral Effects of the Trump Tariffs in the United States 2023, Working Paper
- Autor, David H., Dorn, David and Hanson, Gordon H.: The China Syndrome: Local Labor Market Effects of Import Competition in the United States, *American Economic Review* 103, Nr. 6 October 2013, 2121–68
- Becker, Sascha O. and Voth, Hans-Joachim: From the Death of God to the Rise of Hitler October 2023, Manuscript
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- Crafts, Nicholas and Fearon, Peter: *Depression and Recovery in the 1930s: An Overview*, in: Crafts, Nicholas and Fearon, Peter, editors, *The Great Depression of the 1930s: Lessons for Today* Oxford: Oxford University Press, 2013
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- Easterly, William: In Search of Reforms for Growth: New Stylized Facts on Policy and Growth Outcomes, Working Paper 26318 National Bureau of Economic Research, September 2019, (URL: <http://www.nber.org/papers/w26318>)
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- Grier, Kevin B. and Grier, Robin M.: The Washington consensus works: Causal effects of reform, 1970-2015, *Journal of Comparative Economics* 49, Nr. 1 2021, 59–72
- Halliday, Daniel and Thrasher, John: *The Ethics of Capitalism: An Introduction* Oxford: Oxford University Press, 2020
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- Naumenko, Natalya: The Political Economy of Famine: The Ukrainian Famine of 1933, *The Journal of Economic History* 81, Nr. 1 2021, 156–197
- Saez, Emmanuel and Zucman, Gabriel: The Rise of Income and Wealth Inequality in America: Evidence from Distributional Macroeconomic Accounts, *Journal of Economic Perspectives* 34, Nr. 4 Fall 2020, 3–26
- Tooze, Adam: *The Wages of Destruction* London: Allan Lane, 2006
- Voigtländer, Nico and Voth, Hans-Joachim: Highway to Hitler, *American Economic Journal: Applied Economics* Forthcoming 2024
- Voth, Hans-Joachim et al.: Bombs, Broadcasts and Resistance: Allied Intervention and Domestic Opposition to the Nazi Regime during World War II, CEPR Discussion Papers 15292 C.E.P.R. Discussion Papers, September 2020
- White, Lawrence H.: *The Clash of Economic Ideas* Cambridge: Cambridge University Press, 2012