Course Description

This course presents some selected topics in the long-run history of globalization. **There are two main questions:** How do we measure integration in commodity and capital markets? Why does integration matter?

The gains from trade are recognized by most economists and yet economic historians have had a hard time showing that unfettered international trade was overwhelmingly beneficial in the 19th century. What is the record on integration? What impact did integration have on economies?

With respect to financial integration, economists are more cautious. Even the International Monetary Fund has now recognized that capital controls can at times be beneficial. So when are capital flows beneficial for economic growth? What empirical techniques and historical methods have been used to answer this question? What is the role of capital flows in causing financial crises?

We will explore selected topics in crises including the following:

- Price and value-based measures of commodity market integration
- Tariffs, trade and growth: what do we know?
- The impact of trade integration on: democracy and policy
- International capital flows in the 19th century and economic growth
- The connection between capital flows, credit booms, financial instability, and economic growth
- The Great Depression: The international roots and the legacy of systemic financial crises in the 1930s
Reading list by topic

I. Measuring Integration in Commodity Markets


II. The Impact of Trade in the 19th Century


III. Measuring capital market integration and its effects


Bordo, Michael. Was there really an earlier era of financial globalization? NBER working paper 6738.


