

Master in Social Sciences

Topics in International Economic History (325-19322)

Spring Term 2025-26

Schedule: Wednesday, 10:00 am-1:00 pm

Instructor: Stefano Battilossi (battilos@clio.uc3m.es)

Office Hours: by appointment

OVERVIEW

The course explores the political economy of international economic and financial relationships between the late 19th century and the early 21st century. The chronological arc covers the First Globalization (1870-1914), the era of Economic De-globalization (from the interwar period to the 1960s) and the rise of the Second Globalization (from the 1970s onwards). The narrative arc of the course runs through the 20th century, from the decline of British dominance to the rise and consolidation of US dominance in international financial and economic relationships. Special attention is paid to the historical experience of developing economies in the Global South.

Drawing on complementary perspectives from different disciplines (history, economics and political sciences), the course provides a long-term view on critical issues for the understanding of international economic relationships, past and present. They include:

1. financial globalization
2. sovereign debt
3. defaults and sanctions
4. colonialism and imperialism
5. unequal exchange
6. deglobalization
7. trade wars
8. conditionality lending
9. dominant currencies
10. economic reforms.

The course also touches upon relevant methodological issues such as the relationship between theory and historical analysis, the construction and use of historical datasets, and the selection of appropriate empirical approaches.

COURSE REQUIREMENTS AND GRADING

The course is based on 12 sessions and follows a seminar format. Each week the instructor will provide a brief introduction to the topic of the following session. As a weekly assignment, students will read at least two of the readings included in the session's list and contribute actively to a structured discussion in class with questions and comments. As a long-term assignment, they will write a seminar

paper on a topic of their choice, to be handed in at the end of the course. Some weekly sessions will be devoted to presentations by students of a selection of readings related to their seminar paper. In the last session, students will present and discuss their full seminar paper in class.

Grading is based on:

- active participation in class discussions 20%
- student weekly presentations 30%
- seminar paper and final presentation 50%

The seminar paper should not exceed 4,000 words. It can be either a first outline of a new research paper, or a literature review. Students can dig deeper on one of the topics dealt with in the weekly sessions, or propose a different topic of their interest, always related to the general topic of the course (international economic relationships). In this case, the topic of the paper should be discussed with, and approved by the instructor, who will also provide guidance on data, sources and relevant literature.

READING LISTS

General readings

The volumes listed below provide concepts, background information, analytical insights and research overviews that are useful in order to put the topics discussed in the weekly sessions in a richer historical context. A selection of specific chapters from these volumes will complement weekly readings. However, students are encouraged to explore them also as a source of inspiration for their seminar paper.

- Daunton M (2023) *The Economic Government of the World 1933-2023* (Penguin)
- Eichengreen B (2011) *Exorbitant Privilege: The Rise and Fall of the Dollar and the Future of the International Monetary System* (Oxford University Press)
- El-Gamal M, Jaffe A (2009) *Oil, Dollars, Debt and Crises: The Global Curse of Black Gold* (Cambridge University Press)
- Findlay R, O'Rourke K (2007) *Power and Plenty: Trade, War, and the World Economy in the Second Millennium* (Princeton University Press)
- Flandreau M, Zumer F (2004) *The Making of Global Finance 1880-1913* (OECD)
- Gardner L, Roy T (2020) *The Economic History of Colonialism* (Bristol University Press)
- Helleiner E (1994) *States and the Reemergence of Global Finance: From Bretton Woods to the 1990s* (Cornell University Press)
- Hinrichsen S (2024) *When Nations Can't Default. A History of War Reparations and Sovereign Debt* (Cambridge University Press)
- Irwing D (2012) *Trade Policy Disasters: Lessons from the 1930s* (MIT Press)
- Irwing D (2017) *Clashing over Commerce – A History of US Trade Policy* (University of Chicago Press)
- Martin J. (2022). *The Meddlers. Sovereignty, Empire, and the Birth of Global Economic Governance* (Harvard University Press)
- Maurer N. (2013) *The Empire Trap. The Rise and Fall of US Intervention to Protect American Property Overseas 1893-2013* (Princeton University Press)

- Mulder N. (2022) *The Economic Weapon. The Rise of Sanctions as a Tool of Modern Economic War* (Yale University Press)
- Queralt D. (2022) *Pawned States. State Building in the Era of International Finance* (Princeton University Press)
- Rodrik D. (2011) *The Globalization Paradox: Democracy and the Future of the World Economy* (Norton)
- Studwell J (2014) *How Asia Works. Success and Failure in the World's Most Dynamic Region* (Profile Books)
- Tomz M (2007) *Reputation and International Cooperation: Sovereign Debt Across Three Centuries* (Princeton University Press)
- Wight D. (2021) *Oil Money: Middle-East Petrodollars and the Transformation of US Empire 1966-1988* (Cornell University Press)

Weekly readings

The selection of topics for weekly sessions is based on key concepts rather than chronological order. As a consequence, readings provide exemplifications for different historical periods. Students are required to read and prepare a discussion of at least two readings of their choice for each session. All readings will be available on Aula Global.

1. Financial globalization

- Clemens MA, Williamson JG (2004) Wealth bias in the first global capital market boom 1870-1913. *The Economic Journal* 114: 304-337
- Schularick M (2006) A tale of two globalizations: capital flows from rich to poor in two eras of global finance. *International Journal of Finance and Economics* 11: 339-354
- Schularick M, Steger T (2010) Financial integration, investment and economic growth: evidence from two eras of financial globalization. *The Review of Economic and Statistics* 92: 756-768
- Taylor AM, Wilson JLF (2011) International trade and finance: complementarities in the United Kingdom 1870-1913 and the United States 1920-1930. *Journal of International Money and Finance* 30: 268-288.

2. Sovereign debt

- Flandreau M, Flores JH (2012) Bondholders versus bond-sellers? Investment banks and conditionality lending in the London market for foreign government debt 1815-1913. *European Review of Economic History* 16: 356-383
- Flandreau M, Pietrosanti S, Schuster C (2024) Sovereign collateral. *The Journal of Economic History* 84: 191-230
- Queralt D (2019) War, international finance and fiscal capacity in the long run. *International Organization* 73: 713-753
- Tuncer AC, Weller L (2022) Democracy, autocracy, and sovereign debt: How polity influenced country risk on the peripheries of the global economy, 1870–1913. *Explorations in Economic History* 85:101449

3. Default and sanctions

- Eichengreen B, Portes R (1989) Settling defaults in the era of bond finance. *The World Bank Economic Review* 3: 211-239
- Esteves RP (2013) The bondholder, the sovereign, and the banker: sovereign debt and bondholders' protection before 1914. *European Review of Economic History* 17: 389-407
- Mitchener KJ, Weidenmier M (2010) Supersanctions and sovereign debt repayment. *Journal of International Money and Finance* 29: 19-36
- Panizza U, Sturzenegger F, Zettelmeyer Z (2009) The economics and law of sovereign debt and default. *Journal of Economic Literature* 43: 1-43

4. Colonialism and imperialism

- Accominotti O, Flandreau M, Rezzik R, Zumer F (2010) Black man's burden, white man's welfare: control, devolution and development in the British Empire 1880–1914. *European Review of Economic History* 14: 47-70
- Accominotti O, Flandreau M, Rezzik R (2011) The spread of empire: Clio and the measurement of colonial borrowing costs. *Economic History Review* 64: 385-407
- Gardner L (2017) Colonialism or supersanctions: sovereignty and debt in West Africa, 1871–1914. *European Review of Economic History* 21: 236-257
- Mitchener KJ, Weidenmier M (2005) Empire, public goods, and the Roosevelt Corollary. *The Journal of Economic History* 65(3): 658-692.

5. Unequal exchange?

- Hadass Y, Williamson J (2003) Terms-of-trade shocks and economic performance, 1870-1940: Prebisch and Singer revisited. *Economic Development and Cultural Change* 51
- Hickel J, Sullivan D, Zoomkawala H (2021). Plunder in the post-colonial era: quantifying drain from the Global South through unequal exchange, 1960–2018. *New Political Economy* 26: 1030-1047
- Nievas G, Piketty T (2025) Unequal exchange and North-South relations: evidence from global trade flows and the world balance of payments 1800-2025. World Inequality Lab Working Paper n.11
- Williamson J (2008) Globalization and the Great Divergence: terms of trade booms, volatility and the poor periphery, 1782–1913. *European Review of Economic History* 12: 355-391

6. Deglobalization

- Bruton H (1998) A reconsideration of import substitution. *Journal of Economic Literature* 36: 903-936
- Juhász R, Steinwender C (2024) Industrial policy and the Great Divergence. *Annual Review of Economics* 16: 27-54
- Taylor A (1998) On the costs of inward-looking development: price distortions, growth, and divergence in Latin America. *The Journal of Economic History* 58: 1-28
- Waterbury J (1999) The long gestation and brief triumph of import substitution industrialization. *World Development* 27: 323-341

7. Trade Wars

- Irwin D (2020) Trade policy in American economic history. *Annual Review of Economics* 12: 23-44
- Irwin D, O'Rourke K (2013) Coping with shocks and shifts: the multilateral trading system in historical perspective, in R. Feenstra (ed) *Globalization in an Age of Crisis* (University of Chicago Press): 11-37
- Jacks D, Novy D (2020) Trade blocs and trade wars during the interwar period. *Asian Economic Policy Review* 15: 119-136
- Mitchener K, O'Rourke K, Wandschneider K (2022) The Smooth-Hawley trade war. *Economic Journal* 132: 2500-2533

8. Conditionality lending

- Kentelenis A, Stubbs T, King L (2016) IMF conditionality and development policy space, 1985-2014. *Review of International Political Economy* 23(4): 243-282
- Kilby C (2009) The political economy of conditionality: An empirical analysis of World Bank loan disbursements. *Journal of Development Economics* 89(1): 51-61
- Stone R. (2008) The scope of IMF conditionality. *International Organization* 62(4): 589-620.

9. Dominant currencies

- Eichengreen B, Flandreau M (2009) The rise and fall of the dollar (or when did the dollar replace sterling as the leading reserve currency)? *European Review of Economic History* 13: 377-411
- Eichengreen B, Mehl A, Chitu L (2019) Mars or mercury? The geopolitics of international currency choice. *Economic Policy* (April): 315-363
- Flandreau M, Jobst C (2009) The empirics of international currencies: network externalities, history and persistence. *The Economic Journal* 111(537): 643-664

10. Economic reforms

- Irwin D (2025) Trade policy, exchange rates, and the globalization surge of the 1990s. *The Journal of Economic History* 85: 303-333
- Rodrik D (1996) Understanding economic policy reform. *Journal of Economic Literature* 34: 9-41
- Abiad A, Mody A (2005) Financial reform: What shakes it? What shapes it? *The American Economic Review* 95(1): 66-88
- Agnello L, Castro V, Tovar Jalles J, Sousa RM (2015) What determines the likelihood of structural reforms? *European Journal of Political Economy* 37: 129-145

Additional sessions

During the course, two weekly sessions will be devoted to work-in-progress presentations of students papers.
