

Economic History of the Western Community

Guidelines on Group Research and Presentation

Groups of between 4 and 6 students will research and present a topic related to economic history. The number of presentations will depend on the number of students in the course. The presentations will take place the last day of class prior to the final exam.

Groups can choose their own topic, or can use a suggested topic below. Groups can self-select members and topics prior to the due-date listed on the syllabus. Students not self-selected into a group and/or groups without a topic will be assigned by the instructor, there is no penalty for not signing-up in advance. No topic can be repeated so it might be wise to sign-up for a topic in which you have a special interest.

Presentations will be between 10 and 15 minutes, with a 5-minute group-led Q&A session after each presentation. Posing questions of the groups is an additional way to get credit for class participation. Presentations can use any media including PowerPoint, YouTube (both original and found content) and/or 'chalk and talk'. Groups should tie-in any class discussions related to their research topic along with original research. Each presentation should include a list of scholarly resources used. The Cameron/Neal text is of course acceptable as one reference; the text also contains an excellent annotated bibliography which can be used by students interested in a topic found in the text. Each group research should use at least four scholarly references. The instructor is available by email (please use hotmail account and list "ECO 1326" in the subject line) to assist in your research.

Half the grade for each group will come from student peer-reviews, half from the instructor. The instructor will make peer-review grading sheets available prior to the presentations.

Here are some **potential research topics**, however you are able to choose something of your own as long as you discuss this with the instructor.

- Discuss an example of when in history the necessary economic conditions we have discussed in class (sound monetary policy, fiscal policy and rule of law) have been violated and the economic and social repercussions this had.
 - a) An example would be **(1.)** the unsustainable industrialization of the Soviet Union based on a depreciating (or untradeable) Ruble currency and how and why this led to the collapse of the USSR in 1989-1991. Why did the central planning of the USSR not work? If economically untenable, why did the USSR last so long?
 - b) How and why **(2.)** did the hyper-inflation in Germany after World War I come about and why did this lead to an authoritarian government? Or, **(3.)** some economists believe that hyper-inflation led to the Communist Revolution in China (1946-1949), describe what happened and why, and state whether you agree or disagree with this assertion.
- **(5.)** The United States government sometimes accuses the central bank of China of suppressing the value of the Yuan (元). Why would the US government be concerned about this? Is this true, is the Yuan under-valued at the time of your research, why or why not? (show the historical development of the Chinese Yuan policy over the last several decades and most recently). Is Chinese policy a form of mercantilism, why or why not? Does the Chinese government have an espoused rationale for controlling the Yuan in international foreign exchange (ForEx)? How is any Yuan value manipulation accomplished by the People's Bank of China (PBC)? Who is harmed and who is helped by the PBC's monetary policy? Is this a sustainable policy, why or why not? Is China's current monetary policy leading towards the Yuan as an international reserve currency? What is China's relationship with the IMF and the World Bank? Does China manipulate its currency relatively more than the active monetary policy ('monetary easing') after the 2007-8 financial crisis, and the covid-era, in the USA and Eurozone?

- **(6.)** Karl Marx and John Locke have differing views on the ‘enclosures’ of common land in the late medieval period, helping to establish ‘property rights’. What are these differing views and why are they opposed? Who do you think is more correct and why? Do you think that each of these writers’ ideology influenced their analysis of the development of enclosures, why or why not? How do Locke’s and Marx’s views relate to those of the Cameron/Neal text on the enclosure movement?
- **(7.)** Why was US government debt down-graded by a credit rating agency in 2011? How did the international bond market react to this downgrade? What was the US government’s reaction to the down-grade? What is the official risk-status of US debt today? Has the US\$ dominance as the international reserve currency been affected since the down-grade? What is the US government doing to improve its fiscal situation? Do you agree with the Government Accountability Office (GAO)’s recommendations to address the unfunded liabilities in US fiscal policy? What are the major unfunded liabilities, and what do you believe is the best way to address each one? Do you believe that status-quo US government fiscal policy is sustainable, why or why not?
- **(8.)** In class we discuss Carl Menger’s (1892) evolutionary theory of money as emerged through the market and trade. There are also those who share the view that money was created by the state for use by the state (see Chartalism for example). What is the historical evidence for these state-centric theories? How do they differ from Menger’s explanation of the emergence of money in trade? Which explanation do you find the most convincing?
- **(9.)** Some writers believe that Arthur Burns, chair of the Federal Reserve Bank under President Richard Nixon, used monetary easing to help re-elect the President in 1972. There are others who disagree. Present research into both of these points of view and describe the evidence for these divergent views. Which point of view do you agree with and why? Did this policy lead to the high-inflation, high-unemployment 1970s? If not this policy then what caused the ‘stagflation’ of the 1970s?
- **(10.)** What caused Brexit? Present differing views on why the British referendum of 2016 led to “leave”? Who benefitted from UK membership in the European Union, and who stands to lose from Brexit? Is England planning to have unilateral free trade in goods and services as recommended under Ricardo’s ‘comparative advantage’, or, under which regime will the UK trade internationally? How is trade with Ireland conducted? Which special interests were behind “stay” and which special interests behind “leave”? What is happening to finance in ‘The City’ with Brexit today? What is the political and implementation status of Brexit today?

- **(11.)** It is not well-known that the US Federal Reserve Bank is privately-owned. Research the founding of the US central bank, describe its ownership and mandate. Do you agree with George Selgin (see YouTube video listed in syllabus) that the first 100 years of the Fed have been a failure? If so, why does it continue to exist? Who “wins” and who “loses” from the status quo activist monetary policy, is their special-rents gained under the Fed system, for who, why?
- **(12.)** How did European Enlightenment thought affect the signers of the US Declaration of Independence (give specific examples) and help lead to the end of British colonialism in North America? Who were some of the most predominant Enlightenment thinkers who effected the American founding? Who in your opinion are the predominant founders of the USA in terms of political economy? Which of these founders were influenced by which Enlightenment thinkers?
- **(13.)** Read Edmund Phelps (Nobel prize in economics 2006) article “What is Wrong with the West’s Economies?” in the *New York Review of Books* (available through the instructor’s website), in the context of utilitarianism and the philosophy of John Rawls. Also, read two or more book reviews of Phelps’s *Mass Flourishing: How Grassroots Innovation Created Jobs, Challenge, and Change*. Summarize and explain why Phelps believes there is a problem with the “West’s economies” and use his ideas and those discussed in class to propose solutions to his critiques of the West. Do you believe that replacing the current welfare state in the USA with a universal basic income would help improve economic well-being? Why or why not.