Introduction to Economic History

Economics 210A
Spring 2011
Department of Economics
Wednesday 12:00-2:00 p.m.

Syllabus and Reading List

Economics 210a is required of Ph.D. students in Economics in the first year of the graduate program. The course is designed to introduce a selection of themes from the contemporary economic history literature, not to present a narrative account of world economic history. Emphasis is placed on the uses of economic theory and quantitative methods in history and on the insights a knowledge of history can give to the practicing economist.

Requirements include doing the reading and attending lecture. Class meetings will consist of a mixture of lecture and discussion. When the course goes well, it is primarily discussion; when the course goes badly, it is primarily lecture. Because discussion will focus on the issues raised, resolved, and left unanswered by the assigned readings, readings should be completed before class.

Your grade will be based 50 percent on two-page memos due at the beginning of each class meeting (other than the first, when you will take the pop quiz instead), and 50 percent on the research paper. Extra credit will be given for informed, constructive classroom discussion.

Weekly Memos
A memo on each week’s readings is due at the beginning of the class in which those readings are discussed. You will find the memo questions on Professor DeLong and Eichengreen’s websites (typically the week’s question will be posted on the Thursday six days before the class meeting at the start of which your memo is due). You are to write a memo of no more than 2 (12-pitch) pages on each question. To repeat: that memo is due at the beginning of the corresponding class meeting. Two-page memos cannot be exhaustive, nor can they provide definitive answers. But they can explain why the question is important, summarize how the articles assigned for the upcoming lecture approach it, and provide a provisional assessment of their conclusions. Your instructors will not read late memos.

Research Paper
Your research paper is due on Wednesday, May 4th (that is, one week after the last class meeting). The paper should provide new information or evidence on a topic in economic history. It should not simply summarize an existing literature. The writing and submission process requires that you meet two benchmarks. You should discuss your
paper topic during office hours with one of your instructors during the first half of the semester, and then submit a brief paper prospectus prior to the commencement of spring break. Your prospectus should motivate the topic (explain why it is important), state your hypothesis, and describe the historical materials that you will use to analyze it. The grade you receive on your paper will depend also on the quality of the prospectus and on your meeting these two benchmarks. The final paper should not exceed 25 pages. Your instructors will not read late papers.

This paper should go beyond summarizing or synthesizing a literature: students should use the tools of economic theory and empirical analysis to pose and answer an historical question. The paper must have historical substance. This is not a requirement in applied economics or econometrics that can be satisfied by relabeling the variables in theoretical models taught elsewhere or by mechanically applying modern statistical techniques to old data.

**Topic**
The paper may cover almost any topic in economic history. You are not limited to the material covered in 210a. The only requirement is that the topic must genuinely involve the past. Comparisons of past and current events are certainly fine, but studies of developments solely after, say, 1973 are not.

**Evidence**
Historical evidence comes in a wide range of form and styles. It is often empirical, but not always. Sometimes the key evidence is just a list of goods traded or what policymakers said they were trying to accomplish. With empirical evidence, tables and graphs of important variables are often enough to make a compelling argument.

**Successful Paper Topics from Previous Years**
Coming up with a promising paper topic is arguably the most useful part of this exercise. Your entire graduate career (indeed, for most of you, your entire career) will center around identifying interesting questions to be answered. For this reason we will not give you a list of topics (though we often toss them out in the course of class discussion). Instead, we will describe the type of topics that have been successful in the past and suggest ways of finding similarly successful topics.

- **A comment on an interesting paper.** Perhaps the easiest type of paper to write is a comment on an existing paper. Such comments often turn out to be more important than the original work. Think about flaws in some paper that you read. Is there selection bias? Has the author left out a potentially crucial variable? One year a student noticed a footnote in a paper that said one observation had been left out of the figure because it was so large relative to the others. This same extreme observation was included in the empirical analysis. The student got the data and showed that his results depended crucially on this one observation.

- **A comparison of past events with present events.** Few economic events have no historical antecedents. If there is a modern development you are interested in, you could look for its historical roots or counterparts. For example, so much has been
written about the rise of the Internet and the revolution in communication in the 1990s. How do these developments compare to the rise of the telegraph and the telephone? The rise of TV and radio? Did investment and financial markets response in similar ways?

- **An analysis of an interesting source.** While it is not a good idea to let data availability drive your topic, it is perfectly reasonable to let serendipity play a role. Have you come across an unusual source in the library or during your undergraduate years? Is there an interesting question that this source could be used to answer? One year a student came across the catalogs for the 1851 World’s Fair. She had the idea that these descriptions of what each country exhibited could be used as a measure of innovation. She wrote a paper looking at the industrial composition of innovation across countries. Another student was looking through newspapers from San Francisco in the 1870s. He found many classified ads that read something like: "Wanted—man to work in store and loan store $1000." This student wondered why companies would tie employment and loans. He wrote a paper investigating whether ads such as these were a sign of credit market imperfections or a way of ensuring worker loyalty and honesty. (Both of these papers have since been published in top economics journals.)

- **A new test of an old debate.** Take some interesting debate in economic history and come up with a new way of testing it. For example, if everyone has been using quantities, think about a way to use prices. An example of this type of paper involves the debate over how business cycles have changed over time. One researcher suggested that instead of fighting over very imperfect estimates of real GDP, one could look at stock prices as an indicator of the volatility of the macroeconomy.

- **A natural experiment.** Just as one should be on the lookout for interesting sources, one should also be thinking about interesting events. History is full of natural experiments—a weird tax is imposed, a war is fought, a new regulation is imposed. Often such experiments can be used to answer crucial questions in economics—for example, what the changing speed with which liberty ships were built during World War II tells us about the size of learning-by-doing effects.

**Readings**

Readings are either available on the web or on reserve at Graduate Services at 208 Doe Library. Access to readings available through Jstor and other proprietary sources may require you to log on through a university-recognized computer and/or enter your Calnet ID. Note that there can be high demand for the readings at peak times, and the library can make available only limited numbers of copies. In past years, students have found it useful to purchase some of the books from which material is assigned through their favorite online book seller and to assemble the materials for reproduction at a local copy shop. (Note that about half the reading materials are new; readers produced for previous versions of this course will contain only a subset of the material.)
January 19. Introduction, and the Malthusian Economy (DeLong)


January 26. The Commercial Revolution (deVries)


February 2. Slavery, Serfdom and Agriculture (DeLong)


Karl Marx (1847), *Wage Labour and Capital.*
http://www.marxists.org/archive/marx/works/1847/wage-labour/index.htm

Karl Marx and Friedrich Engels (1848), *Manifesto of the Communist Party.*
http://www.marxists.org/archive/marx/works/1848/communist-manifesto/


February 9. The Industrial Revolution (deVries)


February 16. American Exceptionalism (Eichengreen)


February 23. The Spread of Modern Economic Growth (DeLong)


March 2. 19th Century Capital Markets (Eichengreen)


January 19, 2011


**March 9. 19th Century Labor Markets (Eichengreen)**


**March 16. 19th Century Globalization and Financial Crises (DeLong)**


March 30. 19th Century International Money and Finance (Eichengreen)


April 6. Origins of the Great Depression (Eichengreen)


April 13. Recovery from the Great Depression (Eichengreen)


April 20. World War II, the Mixed Economy and Actual Existing Socialism (DeLong)


John Maynard Keynes (1926), "The End of Laissez Faire." http://tinyurl.com/dl200901112ad


April 27. The Crisis of the Mixed Economy and the Great Divergence (DeLong)

