Introduction to Economic History

Economics 210A
Spring 2012
Wednesday 12:00-2:00 p.m.

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University of California, Berkeley
648 Evans Hall

Syllabus and Reading List

Economics 210a is required of Ph.D. students 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 on the uses of economic theory and quantitative methods and on the insights that knowledge of history can provide to the practicing economist.

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 issues raised by the assigned readings, readings should be completed before class.

Your grade will be based 50 percent on one-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 (where the latter 50 percent will be based both on the synopsis you submit prior to spring break and the paper you submit at the end of instruction). 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 during which those readings are discussed. You will find the memo questions on Professor DeLong’s (http://econ161.berkeley.edu) and Professor Eichengreen’s (http://www.econ.berkeley.edu/~eichengr/index.html) websites. Typically the week’s question will be posted on the Thursday six days before the class meeting when your memo is due. The memo is due at the start of the class meeting; your instructors will not read late memos.

You are to write a memo of no more than two pages (in 12-point type) on each question. Two-page memos cannot be exhaustive, nor can they provide definitive answers. But they can explain why a question is important, summarize how one or more articles assigned for the upcoming lecture approach it, and provide a provisional assessment of their conclusions.

Research Paper

Your research paper is due on Wednesday, May 2nd (one week after the last class meeting). Please put one copy in Professor DeLong’s and Professor Eichengreen’s mail boxes in the Economics Department main office in 530 Evans Hall. The office is open 9:00-4:00. Please provide hard copies; papers submitted as email attachments will not be accepted. The paper should not exceed 25 pages. Your instructors will not read late papers.
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 before spring break. That prospectus should motivate the topic (explain why it is important), state your hypothesis, and describe the materials and approach that you will use to analyze it. Your paper grade will depend in part on the quality of your prospectus.

The paper should provide new evidence and analysis of a topic in economic history. It should not simply summarize an existing literature. You should use the tools of economics to pose and answer, to the best of your ability, 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 simply applying new statistical techniques to old data.

**Topic**

The paper can cover almost any topic in economic history. The only requirement is that the topic must genuinely involve the past. Comparisons of past and current events are fine, but a focus on developments solely after, say, 1973 are likely to be problematic.

**Evidence**

Historical evidence comes in many forms. The key evidence could be a list of goods traded or statements by government officials of what they were trying to accomplish. While economic historians sometimes use econometrics, tables and graphs displaying important variables can be enough to make a compelling argument.

**Successful Paper Topics from Previous Years**

Identifying a promising paper topic is arguably the most difficult part of this requirement. Your entire graduate career (indeed your entire career) will center on identifying interesting questions. For this reason we will not give you a list of topics (although we will toss some out in class discussions). Instead, we describe here some topics that have been successful in the past and suggest ways of finding similarly successful topics.

- The easiest type of paper to write is probably a comment on an existing paper. Such comments often turn out to be as important as the original work. Think about flaws in some paper that you read. Is there selection bias? Has the author left out a 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 large relative to the others. This same extreme observation was included in the empirical analysis. The student got the data and showed that the published results depended crucially on this one observation.

- Few 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, 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 respond similarly?
While it is not a good idea to let data availability drive your topic, it is 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. (She is now a professor at Stanford.) 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. (He is now a prominent economist at the World Bank.) Both of these papers went on to be published in top highly respected journals.

You might take an interesting debate in economic history and come up with a new way of testing it. 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.

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 extent of learning by doing effect.
Readings

Readings are available either on the web or, where there exists no web-based copy, at Graduate Services (http://www.lib.berkeley.edu/doemoff/grad/index.html) 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. There can be high demand for the readings on reserve 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 readers produced for earlier versions of this course will contain only a subset of this year’s material.)

January 18. The Malthusian Economy (Eichengreen)


January 25. The Commercial Revolution (DeLong)


February 1. The Agricultural Revolution (DeLong)


February 8. Slavery, Serfdom and Agriculture (DeLong)


February 15. The Industrial Revolution (DeLong)


February 22. American Exceptionalism (Eichengreen)


February 29. The Uneven Spread of Industrialization (DeLong)


March 7. Capital Markets (Eichengreen)


March 14. Labor Markets (Eichengreen)


March 21. Globalization and Crisis (DeLong)


March 28: No class
April 4. International Money and Finance (Eichengreen)


April 11. Origins of the Great Depression (Eichengreen)


April 18. Recovery from the Great Depression (Eichengreen, with a possible cameo appearance by C. Romer)


**April 25. The Great Divergence, the Great Moderation and the Great Recession (DeLong, with a possible cameo appearance by C. Romer)**


