Introduction to Economic History

Economics 210A
Spring 2016
Wednesday 1:00-3:00 p.m.

Brad DeLong and Barry Eichengreen
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 insights that history can provide to the practicing economist.

Class meetings consist of a mixture of lecture and discussion. 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, and 50 percent on the research paper (where the latter 50 percent will be based 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 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’s 210a subpage (http://www.bradford-delong.com/econ-210a%20/) and on the bCourses page for this class. Typically the week’s question will be posted on the Thursday six days before the class when your memo is due.

Your memos should be one page, and certainly no more than two pages (12-point type). They cannot be exhaustive or provide definitive answers. But they can explain why a question is important, and they can draw on assigned readings to answer it.

Research Paper

Papers are due on Friday, May 13th. Send an electronic copy to both instructors, and put a copy in Professor Eichengreen’s mail box in Economics Department reception in 530 Evans Hall. The office is open 9:00-4:00. The paper should not exceed 25 pages.

The writing and submission process involves two benchmarks. You should discuss your paper topic during office hours with one of your instructors during the first half of the semester and submit a brief paper prospectus before spring break (by 4:00 PM Friday, March 18th – electronic copies to both instructors, also to Professor Eichengreen’s mailbox). That prospectus should explain why the topic is important, present your hypothesis, describe the materials, and detail the approach that will be used to analyze it.
Both instructors will schedule extra office hours in late January to discuss topics and in late March to discuss prospectuses. Pick an instructor for both visits, but be mindful that no visit means no credit.

Your paper should provide new evidence and analysis of a topic in economic history. It should not just summarize a literature. You should use the tools of economics to pose and answer as best you can a historical question. The paper should 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 just by 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. (What is the economic past? One answer is a period when the economic environment was significantly different from today. You as author and researcher must make the case.) Comparisons of past and current events are fine, but excessive focus on developments in recent decades is likely to be problematic.

**Evidence**

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

**Successful Paper Topics from Previous Years**

Your graduate career (indeed your entire career) will center on identifying interesting questions. For this reason, we will not give you a list of topics. Instead, we mention here, by way of illustration, 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 a comment on an existing paper. Think about flaws in a paper you have read. Is there selection bias? Has the author omitted a key variable? One 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, but that 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. How does its development compare to that of the telegraph and the telephone? TV and radio? Did investment and financial markets respond similarly?

- While it is not a good idea to let data availability drive your topic, serendipity can play a role. Have you come across an unusual source in the library? Is there an interesting question that this source could be used to answer? One 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. (Do you know who this student is and where she now has tenure?) Another student was browsing newspapers from San Francisco in the 1870s. He found 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 advisor at the World Bank – can you guess his name?)

You might take hypothesis in the historical literature 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.

Readings

Readings are available either on the web or, where there exists no web-based copy, 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 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.

January 20. The Malthusian Economy: Feudalism and Manorialism; Gilds and Trade (DeLong)

http://www.econlib.org/library/Malthus/malPop.html


January 27. Revolutions in Time: Literacy Revolution, Commercial Revolution, Agricultural Revolution, State and Market Building (DeLong)


February 3. Modern Economic Growth (DeLong)


February 10. Slavery and Serfdom (DeLong)


**February 17. Growth Accounting: Returns to Schooling, Returns to R&D (DeLong)**


**February 24. Cities and Economic Growth (DeLong)**


March 2. Extractive and Developmental Institutions (DeLong)


March 9. Capital Markets (Eichengreen)


March 16. Labor Markets (Eichengreen)


March 30. Women and Children First (Eichengreen)


April 6. Globalization and Crisis (Eichengreen)


April 13. International Money and Finance (Eichengreen)


**April 20. Origins of the Great Depression (Eichengreen)**


**April 27. Recovery from the Great Depression (Eichengreen)**


