

## 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 18<sup>th</sup> – 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.

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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)**

Thomas Malthus (1798), *An Essay on the Principle of Population*, Chapters 1-2, pp.1-11, Electronic Scholarly Publishing Project, 1998.

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

Gregory Clark (2005), "The Condition of the Working Class in England, 1209–2004." *Journal of Political Economy* 113 (December): 1307–1340 [www.jstor.org/stable/pdfplus/10.1086/498123.pdf](http://www.jstor.org/stable/pdfplus/10.1086/498123.pdf)

Richard Steckel (2008), "Biological Measures of the Standard of Living." *Journal of Economic Perspectives* 22:1 (Winter), pp. 129-

52 <http://www.aeaweb.org/articles.php?doi=10.1257/jep.22.1.129>

Moses Finley (1965), "Technical Innovation and Economic Progress in the Ancient World." *Economic History Review* NS 18:1, pp. 29-45 <http://www.jstor.org/stable/2591872>

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

Karl Marx (1867), "The Secret of Primitive Capital Accumulation," *Capital*, Vol. 1, Part VIII, Chapters 26-32 <http://tinyurl.com/dl20090112k>

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Jeremiah E. Dittmar (2011), "Information Technology and Economic Change: The Impact of the Printing Press," *Quarterly Journal of Economics* 126 (August): 1133–1172.  
<http://qje.oxfordjournals.org/content/126/3/1133.abstract>

Daron Acemoglu, Simon Johnson, and James Robinson (2005), "The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth," *American Economic Review* 95:3, pp. 546-79. <http://www.jstor.org/stable/i387682>

Robert Allen (2008), "The Nitrogen Hypothesis and the English Agricultural Revolution: A Biological Analysis," *Journal of Economic History* 68, pp. 182-210. <http://journals.cambridge.org/action/displayAbstract?fromPage=online&aid=1741020&fulltextType=RA&fileId=S0022050708000065>

J. Bradford DeLong and Andrei Shleifer (1993), "Princes and Merchants: European City Growth Before the Industrial Revolution," *Journal of Law & Economics* 36, pp. 671-702. <http://www.jstor.org/stable/725804>

### **February 3. Modern Economic Growth (DeLong)**

Michael Kremer (1993), "Population Growth and Technological Change: One Million B.C. to 1990", *Quarterly Journal of Economics* 108:3 (August), pp. 681-716 <http://www.jstor.org/stable/2118405>

Robert C. Allen (2011), "Why the Industrial Revolution Was British: Commerce, Induced Invention and the Scientific Revolution," *Economic History Review* 64, pp. 357-384. <http://onlinelibrary.wiley.com/doi/10.1111/j.1468-0289.2010.00532.x/pdf>

Stephen Broadberry (2013), "Accounting for the Great Divergence," unpublished manuscript, London School of Economics, <http://tinyurl.com/dl20140114a>

William D. Nordhaus. 1997. "Do Real-Output and Real-Wage Measures Capture Reality? The History of Lighting Suggests Not." In *The Economics of New Goods*, edited by Timothy F. Bresnahan and Robert J. Gordon. Chicago: University of Chicago Press for NBER, pp. 29–66. <http://www.nber.org/chapters/c6064>

Robert J. Gordon. 2014. "The Demise of U.S. Economic Growth: Restatement, Rebuttal, and Reflections." NBER Working Paper No. 19895 (February). [www.nber.org/papers/w19895](http://www.nber.org/papers/w19895)

### **February 10. Slavery and Serfdom (DeLong)**

Stanley Engerman and Kenneth Sokoloff (1994), "Factor Endowments, Institutions and Differential Paths of Development among New World Economies: A View from Economic Historians of the United States," NBER Working Paper no. 10066 <http://papers.nber.org/papers/h0066>

Robert Brenner (1976), "Agrarian Class Structure and Economic Development in Pre-Industrial Europe", *Past & Present* 70 (Feb.), pp. 30-75 <http://www.jstor.org/stable/650345>

Stefano Fenoaltea (1984), "Slavery and Supervision in Comparative Perspective: A Model," *Journal of Economic History* 44:3, pp. 635-668. <http://www.jstor.org/stable/2124146>

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Suresh Naidu and Noam Yuchtman. 2013. “Coercive Contract Enforcement: Law and the Labor Market in Nineteenth Century Industrial Britain,” *American Economic Review* 103 (February): 107–144. <https://www.aeaweb.org/articles.php?doi=10.1257/aer.103.1.107>

Nathan Nunn (2008) “The Long-Term Effects of Africa’s Slave Trades”, *Quarterly Journal of Economics* 123 (February): 139–176. <http://www.jstor.org/stable/pdfplus/25098896.pdf>

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

Daron Acemoglu and Joshua Angrist (2001), “How Large are Human-Capital Externalities? Evidence from Compulsory Schooling Laws,” *NBER Macroeconomic Annual* 2000, pp.9-74 <http://papers.nber.org/books/bern01-1>

Joel Mokyr (2006), “Long Term Economic Growth and the History of Technology,” in Philippe Aghion and Steven Durlauf (eds), *Handbook of Economic Growth*, Part 1B, Amsterdam, North Holland, pp.1113-1180. <http://faculty.wcas.northwestern.edu/~jmokyr/Durlauf.PDF>

Petra Moser (2005), “How Do Patent Laws Influence Innovation? Evidence from 19th-Century World Fairs,” *American Economic Review* 95, pp.1215-36. <https://www.aeaweb.org/articles.php?doi=10.1257/0002828054825501>

Dave Donaldson (2016), “Railroads of the Raj: Estimating the Impact of Transportation Infrastructure,” forthcoming, *American Economic Review*. <http://economics.mit.edu/faculty/ddonald/publications>

J. Bradford DeLong (1991), “Did J. P. Morgan’s Men Add Value? An Economist’s Perspective on Financial Capitalism”, in *Inside the Business Enterprise: Historical Perspectives on the Use of Information* edited by Peter Temin (Chicago: University of Chicago Press for NBER), pp. 205–236. <http://www.nber.org/chapters/c7182>

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

Sukko Kim (2006), “Division of Labor and the Rise of Cities: Evidence from US Industrialization 1850-1880,” *Journal of Economic Geography* 6, pp.469-491. <http://joeg.oxfordjournals.org/content/6/4/469.abstract>

Hoyt Bleakley and Jeffrey Lin (2012), “Portage and Path Dependence,” *Quarterly Journal of Economics* 127 (May): 587–644. <http://qje.oxfordjournals.org/content/127/2/587.full>

Donald R. Davis and David E. Weinstein (2002), “Bones, Bombs, and Break Points: The Geography of Economic Activity.” *American Economic Review* 92 (December): 1269–1289. [http://www.jstor.org/stable/3083250?seq=1#page\\_scan\\_tab\\_contents](http://www.jstor.org/stable/3083250?seq=1#page_scan_tab_contents)

Richard Hornbeck and Daniel Keniston (2014), “Creative Destruction: Barriers to Urban Growth and the Great Boston Fire of 1872.” NBER Working Paper 20467, September. <http://www.nber.org/papers/w20467>

Alexander Klein and Nicholas Crafts (2015), “Agglomeration Economics and Productivity Growth, U.S. Cities, 1880-1930,” CAGE Working Paper no. 235. <https://ideas.repec.org/p/cge/wacage/235.html>

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## **March 2. Extractive and Developmental Institutions (DeLong)**

Dave Donaldson and Richard Hornbeck (2015), "Railroads and American Economic Growth: A 'Market Access' Approach." <http://scholar.harvard.edu/hornbeck/node/29492>

Jason Long and Joseph Ferrie (2013), "Intergenerational Occupational Mobility in Great Britain and the United States since 1850," *American Economic Review* 103 (June): 1109–1137. <https://www.aeaweb.org/articles.php?doi=10.1257/aer.103.4.1109>

Ran Abramitzky, Leah Platt Boustan, and Katherine Eriksson (2014), "A Nation of Immigrants: Assimilation and Economic Outcomes in the Age of Mass Migration," *Journal of Political Economy* 122 (June): 467–506. [www.jstor.org/stable/pdfplus/10.1086/675805.pdf](http://www.jstor.org/stable/pdfplus/10.1086/675805.pdf)

J. Bradford DeLong and Barry Eichengreen (1993), "The Marshall Plan: History's Most Successful Structural Adjustment Program," in *Postwar Economic Reconstruction and Lessons for the East Today*, edited by Rudiger Dornbusch, Wilhelm Nöbling, and Richard Layard (Cambridge: M.I.T. Press), pp. 189–230. <http://www.nber.org/papers/w3899>

Alessandro Lizzeri and Nicola Persico (2004), "Why Did the Elites Extend the Suffrage? Democracy and the Scope of Government, with an Application to Britain's 'Age of Reform,'" *Quarterly Journal of Economics* 119 (May): 707–720 and 736–756 only. [http://www.jstor.org/stable/25098698?seq=1#page\\_scan\\_tab\\_contents](http://www.jstor.org/stable/25098698?seq=1#page_scan_tab_contents)

## **March 9. Capital Markets (Eichengreen)**

Naomi Lamoreaux (1986), "Banks, Kinship, and Economic Development: The New England Case," *Journal of Economic History* 46, pp. 647–667. <http://www.jstor.org/stable/2121478>

Jaremski, Matthew and Peter Rousseau (2013), "Banks, Free Banks and U.S. Economic Growth," *Economic Inquiry* 51, pp.1603-1621. <http://onlinelibrary.wiley.com/doi/10.1111/j.1465-7295.2012.00495.x/full> .

Jeremy Edwards and Sheilagh Ogilvie (1996), "Universal Banks and German Industrialization: A Reappraisal," *Economic History Review* 49:3, pp. 427–446. <http://onlinelibrary.wiley.com/doi/10.1111/j.1468-0289.1996.tb00576.x/abstract>

## **March 16. Labor Markets (Eichengreen)**

Sanford Jacoby (1984), "The Development of Internal Labor Markets in American Manufacturing Firms," in Paul Osterman (ed.), *Internal Labor Markets*, pp. 23-69. Cambridge, MA: MIT Press. On reserve at Graduate Services.

Susan Carter and Elizabeth Savoca (1990), "Labor Mobility and Lengthy Jobs in 19<sup>th</sup> Century America," *Journal of Economic History* 50, pp. 1-16. [http://www.jstor.org/stable/2123435?seq=1#page\\_scan\\_tab\\_contents](http://www.jstor.org/stable/2123435?seq=1#page_scan_tab_contents)

Suresh Naidu and Noam Yuchtman (2015), "Labor Market Institutions in the Gilded Age," Berkeley Economic History Laboratory Working Paper WP2015-13 (December). <http://behl.berkeley.edu/working-papers>

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Joshua Rosenbloom (2002), "Employment Agencies and Labor Exchanges: The Impact of Intermediaries in the Market for Labor," in Joshua Rosenbloom, *Looking for Work, Searching for Workers: American Labor Markets during Industrialization*, Chapter 3, pp. 46-79. Cambridge, MA: Cambridge University Press. On reserve at Graduate Services.

Joshua Rosenbloom (1990), "One Market or Many? Labor Market Integration in the Late-19<sup>th</sup> Century United States," *Journal of Economic History* 50, pp. 87-107.  
<http://www.jstor.org/stable/2123439>

### **March 30. Women and Children First (Eichengreen)**

Ronald Lee (2003), "The Demographic Transition: Three Centuries of Fundamental Change," *Journal of Economic Perspectives* 17, pp.167-190 <https://www.aeaweb.org/articles.php?doi=10.1257/089533003772034943> .

Goldin, Claudia and Kenneth Sokoloff (1984), "The Relative Productivity Hypothesis of Industrialization: The American Case, 1820 to 1850," *Quarterly Journal of Economics* 99, pp.461-487. <http://qje.oxfordjournals.org/content/99/3/461.short>

Claudia Goldin (2001), "The Human-Capital Century and American Leadership: Virtues of the Past," *Journal of Economic History* 61, pp.263-292. <http://www.nber.org/papers/w8239> .

Martha Bailey (2013), "Fifty Years of Family Planning: New Evidence on the Long-Run Effects of Increasing Access to Contraception," NBER Working Paper no. 19493. <http://www.nber.org/papers/w19493> .

### **April 6. Globalization and Crisis (Eichengreen)**

Richard Baldwin and Philippe Martin (1999), "Two Waves of Globalization: Superficial Similarities, Fundamental Differences," NBER Working Paper no.6904 (January). <http://www.nber.org/papers/w6904>

Douglas Irwin (1998), "Did Late Nineteen Century U.S. Tariffs Promote Infant Industries? Evidence from the Tinplate Industry," NBER Working Paper no. 6835 (December). <http://www.nber.org/papers/w6835>

Richard Harris, Ian Keay and Frank Lewis (2015), "Protecting Infant Industries: Canadian Manufacturing and the National Policy 1870-1913," *Explorations in Economic History* 56 (April), pp. 15–31. <http://www.sciencedirect.com/science/article/pii/S0014498315000133>

Carmen Reinhart and Kenneth Rogoff (2013), "Financial and Sovereign Debt Crises: Some Lessons Learned and Those Forgotten," IMF Working Paper no. WP/13/266 (December) <http://www.imf.org/external/pubs/cat/longres.aspx?sk=41173.0> .

### **April 13. International Money and Finance (Eichengreen)**

Arthur Bloomfield (1959), *Monetary Policy under the International Gold Standard*, pp. 1-62. New York, Federal Reserve Bank of New York. On reserve at Graduate Services.

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Rui Esteves and David Khoudour-Casteras (2009), "A Fantastic Rain of Gold: European Migrants' Remittances and Balance of Payments Adjustment during the Gold Standard Period," *Journal of Economic History* 69, pp. 951-985.  
[http://www.jstor.org/stable/25654029?seq=1#page\\_scan\\_tab\\_contents](http://www.jstor.org/stable/25654029?seq=1#page_scan_tab_contents)

Hugh Rockoff (1984), "Some Evidence on the Real Price of Gold, Its Costs of Production and Commodity Prices," in Michael Bordo and Anna J. Schwartz (eds.), *A Retrospective on the Classical Gold Standard*, pp. 613-650. Chicago: University of Chicago Press. <http://ideas.repec.org/h/nbr/nberch/11139.html>

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

Milton Friedman and Anna Schwartz (1963), *A Monetary History of the United States, 1867-1960*, Chapter 13, pp. 676-700. Princeton: Princeton University Press. On reserve at Graduate Services.

Christina Romer (1990), "The Great Crash and the Onset of the Great Depression," *Quarterly Journal of Economics* 104, pp. 719-736. <http://www.jstor.org/stable/10.2307/2937892>

Ben Bernanke (1983), "Nonmonetary Effects of the Financial Crisis in the Propagation of the Great Depression," *American Economic Review* 73:3, pp. 257-276. <http://www.jstor.org/stable/1808111>

Ben Bernanke (1995), "The Macroeconomics of the Great Depression: A Comparative Approach," *Journal of Money, Credit and Banking* 27:1, pp. 1-28.  
<http://www.jstor.org/stable/i336266>

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

Christina Romer (1992), "What Ended the Great Depression?" *Journal of Economic History* 52, pp. 757-784. <http://www.jstor.org/stable/2123226>

Gauti Eggertsson (2008), "Great Expectations and the End of the Great Depression," *American Economic Review* 98:4, pp. 1476-1516. <http://www.jstor.org/stable/29730131>

Charles Calomiris, Joseph Mason and David Wheelock (2011), "Did Doubling Reserve Requirements Create the Recession of 1937-8?" NBER Working Paper no.16688 (January). <http://www.nber.org/papers/w16688> .

Price Fishback and John Wallis (2012), "What Was New About the New Deal?" NBER Working Paper no. 18271 (August). <http://www.nber.org/papers/w18271> .

James Feigenbaum (2015), "Intergenerational Mobility during the Great Depression," unpublished manuscript, Harvard University (December). <http://scholar.harvard.edu/jfeigenbaum/publications/jmp>