The History of Economic Growth
Spring 2016
Economics 1342
Class Location: TBA
Version: Final

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Course description: This course examines the history of economic growth, beginning with the divergence between human ancestors and other primates and continuing through the end of the 20th century. Topics covered include the Neolithic Revolution; economic growth in ancient societies; the origins of modern economic growth; theories and evidence about the institutional, geographic, and cultural determinants of growth; the East Asian Miracle; the middle income trap; the political economy of growth; growth and inequality; and theories and evidence about the persistence of poverty in the world’s poorest regions.

Prerequisites: Economics 1010a or permission of the instructor.

Meetings: Mondays and Wednesdays 10:00 am – 11:30 am.

Requirements: Students are graded on the basis of ten one page (single-spaced) weekly response papers about the readings (50% of the final grade; 5% each), a midterm (20% of the final grade), and a final exam (30% of the final grade). Prompts for the response papers will be provided at the beginning of each week on the course website. For FAS students, the midterm exam will be administered in class during the last lecture before spring break. The final exam will be administered by the registrar’s office during exam period and will be three hours. For extension school students, the exams will be administered online. Anything covered on the reading list or in lectures is fair game for the exams. Some of the readings have technical details about statistical estimation or economic modeling. These technical details will not be on the exams. Instead you should understand the main arguments of all the papers on the reading list and what quantitative facts or case study evidence is used to support those arguments.
**Deadlines:** Papers on the previous week’s readings are due each Monday at 5pm and can be submitted through the course website. During the week of President’s Day, the response paper will be due on Wednesday instead. There is no paper due the week after Spring Break. Late response papers will only be accepted if accompanied by a note from your senior tutor/academic advisor or a medical practitioner certifying that you were unable to hand in work due to illness or a personal emergency. The lowest response paper grade will be dropped.

**Readings:** Most readings will be available for download on the course website. You may wish to purchase a copy of *Why Nations Fail* by Acemoglu and Robinson, *Lever of Riches* by Joel Mokyr, and *The Secret of Our Successes* by Joe Henrich, or they will be on reserve at Lamont.

**Collaboration:** Students are welcome and encouraged to discuss their response papers with others in the course, but each student must hand in his or her own distinct response paper. Please also take care to avoid plagiarizing sources:  

No collaboration is permitted during the exams.
Introduction: Economic Growth in Human History

This lecture provides an overview of economic growth across space and time. It will also summarize the topics that will be covered in the course and outline the course requirements.


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• Acemoglu, D., & Dell, M. (2010). Productivity Differences between and within Countries. *American Economic Journal: Macroeconomics, 2*(1), 169-88. (don’t worry about the model, focus on what we learn from the data).

The First “First Great Divergence”

Economists typically refer to the economic divergence of Europe and its offshoots from the rest of the world in the 19th Century as the “First Great Divergence”. This contrasts to the 20th Century Divergence of initially poor economies in East Asia and elsewhere from the developing world. However, when biological anthropologists refer to the “First Great Divergence”, they have something much earlier in mind: the divergence of human behavior from that of other primates. This lecture will outline the reasons why biologists and anthropologists hypothesize that humans diverged from other primates.


The Neolithic Revolution

It is common to trace the roots of economic growth to the Neolithic Revolution, the transition between hunting/gathering and farming. Jared Diamond, for example, refers to the Neolithic Revolution as the “starting line”. This lecture examines what we know about it and how to interpret it. What caused the transition to farming and herding and what were its consequences?


Long Run Economic Growth and Stagnation

This lecture examines why economic growth was not sustained for thousands of years after the Neolithic Revolution. It considers different theories for why ancient empires – such as Rome and the Mayan Empire – rose and fell.

• Jongman, Willem M. (2007) “Gibbon was Right: The Decline and Fall of the Roman Economy,” in O. Hekster et. al. eds. *Crises and the Roman Empire*, Brill.

**An Introduction to Growth Theory**

This lecture provides an introduction to the basic theoretical building blocks used to study modern economic growth. It introduces the Solow growth model and the poverty trap model.


**The Beginning of Modern Economic Growth**

Why did sustained economic growth begin when it did, and why did it begin in England and not elsewhere? These lectures will outline the many theories about why the remarkable economic growth that has characterized the past 200 years began when and where it did.

• Mokyr (1990) *Lever of Riches*. Chapter 5 “The Years of Miracles”

**Why Did Sustained Growth Spread to Some Places and Not Others?**

Traditionally, the economics literature has highlighted three main classes of explanations for why some places have grown much more than others since the beginning of modern economic growth two hundred years ago: institutions, culture, and geography. Institutions are the rules of the game according to which society operates. They can be formal (i.e. laws, constitutions, etc.) or informal (i.e. social norms). Culture consists of the beliefs that individuals have about how the world operates. In this class, we treat institutions and culture as closely related explanations since beliefs likely affect norms, and norms reinforce beliefs. Geography includes factors like distance from the coast, terrain ruggedness, weather, and climate change. This lecture will examine the main arguments that have been given for each of these explanations.


**Economic Growth in Europe**

Why did the industrial revolution spread much faster to some parts of Europe than to others? How do the incentives of politicians and other elites affect the spread of innovative technologies?


• Acemoglu, Daron, and James A. Robinson. "Economic backwardness in political perspective." American Political Science Review 100.01 (2006): 115-131. (Don’t worry about the model, focus on the case studies and qualitative arguments)

The Americas in Comparative Perspective

Why is the U.S. much richer than Latin America? Why are some places in Latin America so much poorer than others? Does inequality play a role in explaining these income differences? What about other differences in historical institutions?


U.S. Economic Ascendency

Why did the U.S. industrialize rapidly starting in the nineteenth century? Why did some parts of the U.S. industrialize earlier than others? What role did slavery and its legacy play in U.S. economic growth?


Long Run Economic Development in Africa

Why has growth been lower in much of Africa compared to the rest of the world? What role do the slave trades, colonialism, and other historical factors play?
States and Development in Asia and the Middle East

Many Asian states were highly commercialized and had similar income levels and technology to Europe at the beginning of the Industrial Revolution. Why did Asia and the Middle East fall behind Europe economically? What roles did pre-colonial states and colonialism play in their development trajectory? Why have some Asian economies grown much more than others during the 20th century?


The East Asian Miracle

The rapid growth of South Korea, Taiwan, and other East Asian economics during the second half of the 20th century provides one of the most spectacular examples of rapid and equitable growth in human history. There have been extensive debates about the role that state policies played in the East Asian “growth miracle.”

Path Dependence and Development

Many of the studies considered thus far examine how major ways in which societies were organized historically can have important long-run consequences for economic growth. This lecture considers the extent to which smaller, typically inconsequential events can have important long-run impacts because of their timing. This suggests a view of the world in which the influence of history can be very non-linear and highly persistent.


Geography and Economic Growth

What impact might geography have on economic growth, in both the short and long run?


Climate Change and Poverty

How is climate change impacting economic growth? Does it differentially impact poorer countries? Will it increase conflict?


Trade and Development

The final set of lectures will consider how globalization and international relations in the 20th century have impacted economic development and growth. This lecture examines different theories and evidence about the impacts of globalization and trade integration on economic development and inequality.

**Foreign Military Intervention**

What are the impacts of foreign military intervention on governance, civic society, and economic development? Can a state be built in a weakly institutionalized society through military intervention, or is such an approach likely to backfire? How does politics in the intervening country impact how foreign interventions are conducted? We examine these questions in the context of one of the largest foreign nation-building interventions of the past century: the Vietnam War.


**Transnational Organized Crime**

How do transnational organized crime networks impact efforts to build a state and to promote public safety and stability in weakly institutionalized settings? We will examine these questions in the context of the Italian mafia and the War on Drugs.

Foreign Aid

Can foreign aid be an effective means of promoting economic growth? This lecture will consider a range of evidence, from the Marshall Plan and economic aid to East Asia in the 1950s to food aid today.