Objectives of the Course

This course examines the transformation of the western European economy from its traditional agrarian form around 1000 to the modern economy which existed by 1900. The course draws on economic reasoning to examine the transformation of individual economies in England, France, Germany, and Italy from a period in which Malthusian population pressure on resources was the dominant historical force to one in which both population and income per capita have been able to grow. This transformation marks one of history's great changes, yet the underlying causes of the process are only dimly understood. The course aims to provide both historical perspective and experience in the application of economic analysis to major issues. The course is divided into three chronological sections. The first section addresses the question why was Europe the first region to industrialize. The discussion focuses on the demographic, agrarian, technological and institutional changes that supported change in Europe. The second section examines the Industrial Revolution in England and France. Here we ask what this Revolution was, how it can be measured and most importantly, who benefitted? The last part focuses on the experience of other early and late European industrializers.

The examination of these themes will combine the historical literature with the theoretical constructs of economics. This application of economic reasoning to these very important historical issues will both deepen your understanding of the process by which our modern economy was formed and the process by which economic analysis is conducted.

Requirements and Evaluation

This is a seminar course and as such learning takes place during discussion of assigned readings. Student participation is therefore the key to success (which can be defined either by what you learn or the grade you receive). As it stands, the reading list may appear lengthy, but what you have here is a very abbreviated listing of material available on each topic. All students are expected to read the required readings, which are marked with an asterisk. In addition, one student will be responsible for leading the discussion each week. That student is expected to have read all the material for the particular topic. Each student has to write two short papers; one on set questions and the other summarizing the state of the scholarly debate on his or her topic. There will be a final exam. Review questions will be given out in advance and the examination questions will be chosen from that list.

Grades will be calculated in the following manner. Class attendance and participation in class discussions, 15%. Topic presentation, 25%. The papers and the final examination account for 15%/15% respectively.
Six books that we will use often during the course are

Steven Epstein, *Wage Labor and Guilds in Medieval Europe*
David Herlihy and Christiane Klapisch-Zuber, *Tuscans and Their Families*
John Hicks, *The Theory of Economic History*
Patrice Higonnet *et al., Favorites of Fortune: Technology, Growth, and Economic Development since the Industrial Revolution*
Joel Mokyr, *The Lever of Riches: Technological Creativity and Economic Progress*

These, with the exception of Hicks, are available in the bookstore. All material is on reserve in the Norlin or in the Periodical Room.

**TOPIC OUTLINE AND READINGS**

1. **Introduction**

   Since we will not meet until 22 January, please read Hicks, *The Theory of Economic History* before the first class and be prepared to discuss the nature and meaning of economic history, and the purpose of an economy.

   For other perspectives see:

2. **Growth and Development**

   The central theme of this course is the development of the modern economy in Europe. One of the first questions that must be addressed, therefore, is how does the modern economy differ from its pre-nineteenth century counterpart? What variables can we use to differentiate the modern economy from a traditional agrarian economy? What we will find to be a central distinction is the relationship with the environment, where we measure that relationship as the number of humans on the one hand that environment will support and the standard of living it will yield. An underlying issue here and one that underlies this course is what leads to growth? A very good summary of the difference between each type of economy is given in

   E.L. Jones, *Growth Recurring*, ch. 2.

   As Jones rightly points out, the ability of man to have a reasonable standard of living in an agrarian economy is directly related to the size of the population that environment must support. The formal modelling of this relationship is generally tied to the work of Malthus. A presentation of the Malthusian model can be found in

3. European Demography and Income

For an agrarian economy, the Malthusian model argues that real income and population move inversely. For economic historians and others, the issue is to examine what actually happened.

*David Herlihy and Christiane Klapisch-Zuber, *Tuscans and Their Families*, chs. 3-4.

Indeed, a great deal about what we know about pre-nineteenth century demography is the result of the massive research project that resulted in the above cited volume. Much of the information in chapters 6 and 7 can be scanned rapidly, but the material on pp. 207-265 should be studied more carefully. Attempts to model this demography can also be found in


However, because we know so much about the British case, the British structure becomes accepted as the norm for all European societies. For an interesting commentary on this aspect and an excellent discussion of population control in France see


For an older view of French demography, see


The Irish Famine is considered to be a classic example of a Malthusian mortality crisis. A focused discussion of this problem is to be found in

*Joel Moykr, *Why Ireland Starved*, ch.3

For a revisionist position see


4. The State and Other Social Institutions

The growth of the nation state and the implications of the rise of that institution for modern economic growth is given in

E.L. Jones, *The European Miracle*, chs. 5, 6 and 7.
One of the features of the rise of the nation state is that it changed the attitude of individuals towards risk and made it profitable for some individuals to undertake some investment. But other institutions could also perform the same functions albeit in a more limited manner. In particular, see


*Steven Epstein, *Wage Labor and Guilds in Medieval Europe*, chs. 2-4.

One issue here are the forces that lead to change. There are examinations of particular times and places


At the same time, attempts have been made to see these changes in the context of a unifying theory. One very influential attempt is the work of Marx. An early and accessible version is

Karl Marx and Frederick Engels, *The Communist Manifesto*.

A more recent attempt to provide a unifying structure is to be found in


5. Sources of Agricultural Change

Although the Malthusian relationship predicts an inverse relationship between population and real income, a rising standard of living was possible for traditional agrarian societies either through an increase in the resource base or through the ways in which the existing resources were managed, technical change. Any study of economic growth must pay attention to changes in both of these factors. For a general description of technological change to the eighteenth century see

*Joel Moykr, *Lever of Riches*, chs. 3,4,8 and 10.

For a view of specific agricultural conditions in the Medieval England the key volume here is


This is a book to browse in, but you will want to read Brenner's own pieces and the ones by Postan and Hatcher, Ladurie, Bois, and Hilton.

Although the traditional view is one of change being forced on recalcitrant peasants during the later Middle Ages and early modern period, other scholars emphasize traditional agriculture as progressive, with the Dutch leading this transformation. A discussion of the issues can be found in


Jan De Vries, *The Dutch Rural Economy in the Golden Age, 1500-1700*, chs. 1 and 7.
For the changes in France see


Within the debate on agriculture output growth in Britain and elsewhere, the role of enclosures has been extensively discussed. Some see enclosures as important

Karl Marx, *Capital*, ch. 27

While others de-emphasize the importance of enclosures as a source of output change or as a source of labor for the industrial sector. In particular,


Allen has expanded his thesis on the role of enclosures into what is seen as a definitive work on the topic


The role of women is also examined in the agricultural context in


Open versus closed fields is just not an issue for Britain, but the debate has also influenced how we view agricultural development in other countries. For France


and finally


6. The Growth of Financial and Commercial Institutions

Manifestations of the changes that Europe was undergoing from the thirteenth century are the growth of long-distance trade and colonization. The broad trends involved are outlined in

Carlo M. Cipolla, *Before the Industrial Revolution*, chs. 4, 7, 9 and 10.
Robert S. Lopez, *The Commercial Revolution of the Middle Ages*. 
For a discussion of the relationship between firm structure and the economic environment of these long-distance trading companies, see


One of the great successes of the British economy and the British state in the seventeenth and eighteenth centuries was the dual accomplishment of regularizing government borrowing and the creation of a market for that debt. A very good summary is presented in

Robert Brenner, Merchants and Revolution, pp. 3-112
Charles Wilson, England's Apprenticeship, 1603-1763, chs. 10 and 15.
John Brewer, The Sinews of Power, chs. 1-5

For a transaction-cost analysis of the same events see


The role played by finances in determining the French Revolution has been examined by


For recent analyses of financial market integration see


7. Industrial Revolution - Idea and the Quantitative Dimensions of Change

The beginnings of modern economic growth have been associated with a relatively short period (a generation or two) in the late eighteenth and early nineteenth century. At the same time, exactly what each writer has in mind has varied over time. The widespread use of the term Industrial Revolution dates from

Arnold Toynbee, The Industrial Revolution, chs. 8 and 9.

Good summaries before the very recent work can be found in

*Joel Mokyr, "The Industrial Revolution and the New Economic History", in Mokyr ed. The Economics of the Industrial Revolution.
Yet no matter how interesting are these discussions, serious analysis of the transformation of the European economies is impossible without some estimates of the dimensions of change. The classic work for Britain is that by


However, much of the Deane and Cole work was based on pre-Wrigley and Schofield population estimates, with the changes in those figures, economists were forced to reevaluate all the other statistics in the system. Work by Feinstein on capital formation also necessitated further revision. Summaries of the results can be found in


The implications of the work by Crafts and Harley in turn generated discussion. An acceptable conclusion for the macro school is to be found in


8. Technological Change: Nature and Origins

The growth accounting exercise presented in the Crafts piece on British economic growth is the standard method used by economists to indicate the role played by technological change and the conventional wisdom indicates that technological change was an important source of growth. Our main problem is that we do not know as much as we would like about the processes involved in the creation of technical change. Approaches to the problem are suggested in:


*Joel Mokyr, *The Lever of Riches: Technological Creativity and Economic Progress*, chs. 5, 7, 10 and 11.

On the role of labor in this process see


However, the only way really to understand the actual process of invention, innovation and change has to be through careful case studies. There are many excellent studies available.

9. The Standard of Living Debate

Ultimately economists have to ask how the development process has affected the lives of those involved. How did standards of living change? An examination of the British situation produces no clear picture. Both contemporaries and current historians alike are divided in their opinions. Some of these views were given in the Mokyr survey cited earlier. For a contemporary polemic on the subject, there is

Frederick Engels, *Conditions of the Working Class in England*. 
More recent analyses are to be found in


However these pieces use male wages as the base on which changes in the standard of living are measures and more importantly then use those changes as the basis for changes in the standard of living for the family. We know that women worked as part of the family unit during the late eighteenth and early nineteenth centuries. What was happening to female income and family income over the course of the Industrial Revolution? Work on this subject has been done by


Alternative measures of living standards are to be found using anthromorphic data and court records:


10. Continental Industrialization

Britain, as the first industrialized nation, is often seen as representative of the patterns of European industrialization. However, when studying European industrialization that view is probably more misleading than helpful. Two different treatments of the view that England should not be seen as the primary industrializer are given in

Alfred Chandler, Scale and Scope: The Dynamics of Industrial Capitalism
and a more brief statement in
Sydney Pollard, "Industrialization and the European Economy", in Moykr, ed. The Economics of the Industrial Revolution.
A survey of the ways in which European countries industrialized can be found in


A broader perspective comparing European experience to the LDCs is in


An interesting view of the process can be found in


Other citations will be given in class.