
History of Economic Development
Economics 8764-001
Spring 2006 Tuesday & Thursday 11-12:45 pm, Econ 119.

Professor Carol H. Shiue, email shiue@colorado.edu, Econ 206, R 3:30-5, F 10:30-12 noon.
Professor Ann Carlos, email ann.carlos@colorado.edu, Econ 208A, TR 1:30-3 pm and by appt.

Course Outline and Reading List

Overview

Economics 8764 is a topics course on economic history designed for Ph.D. students in the Economics Department. The goal is not to give a comprehensive survey of world history, but to show how theoretical approaches and quantitative methods can be applied to historical evidence, and how economic understanding on many issues can benefit from historical analysis. We will be concerned with both the arguments of well-known articles and books, as well as recent research findings. Themes examined include the determinants of economic growth and standards of living, demographic change, technological innovation, and inequality.

Classes are held as a mixture of lecture, discussion, and student presentation. This course presumes knowledge of the first-year graduate sequences in microeconomics and econometrics. Graduate students in other degree programs may take the course, subject to seating availability and with the instructors' approval.

Requirements

- 1) Read the papers for each week, prepare a one-page summary for each required paper, and be prepared to participate in class discussions. Students may be asked to summarize a paper and give comments. Paper summaries and overall class participation are weighted 10% and 10%, respectively, in the course grade.
- 2) Two exams. Both exams will be open book. The midterm exam is scheduled for February 28. The final will be scheduled later. Each exam is 20% of the course grade.
- 3) A 15-page discussion of a research question that is motivated by this class. The proposal should be more than a literature review. Rather, you should place your question in the context of the existing literature, explain what you would do to go about answering the question better—you could do this, for example, by providing a sketch of the theoretical framework behind your hypothesis, identifying the data sources that provides the necessary evidence, and describing your empirical strategy and methodology. Note that as this is a research proposal, you are not asked to actually produce the final results. However, the elements of your approach must be consistent with the known or available historical evidence. Ingenuity and feasibility are two aspects of your proposal that will be valued and rewarded. All students will be asked to give a short presentation of their proposal during several classes near the conclusion of the semester. The paper and presentation counts 40% in the course grade.

Reading List Outline—Part I, Shiue, January 17 – February 28.

There is no required text for the course. Background readings are indicated by (B). Required readings are indicated with a **. Optional readings are indicated by (O). Most are available online.

1. Introduction: Economic History

** Robert M. Solow (1985), "Economic History and Economics," *American Economic Review Papers and Proceedings* 75:2 (May), pp. 328-331

(O) Parker William H. ed. (1986). *Economic History and the Modern Economist*. New York: Basil Blackwell.

2. Patterns of Economic Development: From the Great Divergence to the 20th century.

(B) Massimo Livi-Bacci (1997). *A Concise History of World Population*, 35-110.

**Gregory Clark (2005), "The Logic of the Malthusian Economy," chapter 2 of *The Conquest of Nature* <http://www.econ.ucdavis.edu/faculty/gclark/GlobalHistory/Global%20History-2.pdf>

** Easterlin, Richard A. (2000). "Worldwide Standard of Living Since 1800," *Journal of Economic Perspectives*, 14(1): 7-26.

(O) Angus Maddison A Comparison of Levels of GDP Per Capita in Developed and Developing Countries, 1700-1980 *The Journal of Economic History*, Vol. 43, No. 1, The Tasks of Economic History. (Mar., 1983), pp. 27-41.

3. Measures of Living Standards, Real wages and Physical well-being

(B) Fogel, Robert. (2004). *The Escape from Hunger and Premature Death, 1700-2100, Europe, America and the Third World*, Cambridge: Cambridge University Press, pp. 1-65.

(B) Clark, Gregory (2005). "Living Standards in the Malthusian Era," chapter 3 of *The Conquest of Nature* <http://www.econ.ucdavis.edu/faculty/gclark/GlobalHistory/Global%20History-3.pdf>

(B) Richard Easterlin (1996), *Growth Triumphant*, pp. 15-112; 131-144.

** Ozmuçur, Suleyman and Sevet Pamkut, (2002). "Real Wages and Standards of Living in the Ottoman Empire, 1489-1914," *Journal of Economic History* 62(2): 225-47.
http://www.ata.boun.edu.tr/Faculty/Sevket%20Pamuk/publications/Pamuk,%20Sevket_Real%20Wages%20and%20Standards%20of%20Living%20in%20the%20Ottoman%20Empire.pdf

** Clark, Gregory (2005). "Conditions of the Working Class in England" *Journal of Political Economy* 113 (6).

** Allen, Robert (2001). "The Great Divergence in European Wages and Prices from the Middle Ages to the First World War," *Explorations in Economic History* 38: 411-447.

** Steckel, Richard (1995). "Stature and the Standard of Living," *Journal of Economic Literature*.

** Steckel, Richard. "Health and Nutrition in Pre-Columbian America: The Skeletal Evidence." *Journal of Interdisciplinary History* 36 (Summer 2005), 1-32.

4. Modern Economic Growth—Explanations

(B) Landes, David (1969), *Prometheus Unbound*, pp. 1-42, 43-230.

(B) Jones, Eric L. (1988), *Growth Recurring*, pp. 13-73, 149-168

(B) Mokyr, Joel (1990), *Lever of Riches* Part III, pp. 151-239.

(B) Landes, David (1998), *The Wealth and Poverty of Nations*, pp. 3-59, 168-212.

(B) Pomeranz, Kenneth (2000), *The Great Divergence*, pp. 3-107, 209-297.

4.1. Agricultural Transformation

(B) Todaro, Michael P. and Steven C. Smith (2003). *Economic Development*. Chapter 10.

(B) Timmer, C.P. (1998). "The Agricultural Transformation," chapter 10 of *Handbook of Development Economics*, Vol. 1 edited by Hollis Chenery and T.N. Srinivasan.

** Mokyr, Joel. (1974). "The Industrial Revolution in the Low Countries in the First Half of the Nineteenth Century: A Comparative Case Study," *The Journal of Economic History*, 34(2): 365-391.

** Wright, Gavin (1979). "Cheap Labor and Southern Textiles before 1880," *The Journal of Economic History*, 39(3): 655-680.

** Allen, Robert (1999), "Tracking the Agricultural Revolution in England", *Economic History Review*, 52(2): 209-35.

** Matsuyama, Kiminori. (1992). "Agricultural Productivity, Comparative Advantage and Economic Growth" *Journal of Economic Theory*, 58: 317-322.

(O) Allen, Robert (1994). "Agriculture during the Industrial Revolution," Chapter 5 of *The Economic History of Britain since 1700, Volume I*, edited by Roderick Floud and Deidre McCloskey.

(O) Crafts, Nick (1994). "The Industrial Revolution," Chapter 3 of *The Economic History of Britain since 1700, Volume I*, edited by Roderick Floud and Deidre McCloskey.

(O) Sokoloff, Kenneth and David Dollar (1997), "Agricultural Seasonality and the Organization of Manufacturing in Early Industrial Societies: The Contrast Between England and the United States," *Journal of Economic History*.

4.2. Openness, Commerce, and Development

(B) Edwards, Sebastian (1993). "Openness, Trade Liberalization, and Growth in Developing Countries," *Journal of Economic Literature*, Vol. 31, No. 3. (Sep., 1993), pp. 1358-1393.

** Frankel, Jeffrey A. and David Romer (1999). "Does Trade Cause Growth?" *The American Economic Review*, Vol. 89, No. 3. (Jun., 1999), pp. 379-399.

** Kevin H. O'Rourke and Jeffrey G. Williamson (2002), "From Malthus to Ohlin: Trade, Growth and Distribution Since 1500" (Cambridge: NBER Working Paper w8955, May)

** Shiue, Carol H. and Wolfgang Keller. "Markets in China and Europe on the Eve of the Industrial Revolution," October 2005, <http://spot.colorado.edu/~shiue/MarketsChinaEurope.pdf>

** Shiue, Carol H. (2002). "Transport Costs and the Geography of Arbitrage in Eighteenth Century China," *The American Economic Review*, 92(5):1406-1419.
http://spot.colorado.edu/~shiue/p1406_s.pdf

4.3. Political Foundations

** North Douglass C., and B. R. Weingast. 1989 (December). "Constitutions and Commitment: Evolution of Institutions Governing Public Choice." *Journal of Economic History* XLIX, 803-32.

** Clark, Gregory. 1996. "The Political Foundations of Modern Economic Growth: England, 1540-1800." *Journal of Interdisciplinary History*, XXVI: (4) 563-588.

** Greif, Avner. 2005. "Commitment, Coercion, and Markets: The Nature and Dynamics of Institutions Supporting Exchange." Chapter 28 of the Handbook for New Institutional Economics. Edited by Claude Menard and Mary M. Shirley. Norwell MA: Kluwer Academic Publishers.
http://www-econ.stanford.edu/academics/greif_228_2005/Greif.2005%20%20Commitment%20Coercive,%20and%20Markets.pdf

** J. Bradford DeLong and Andrei Shleifer (1993), "Princes and Merchants: City Growth Before the Industrial Revolution," *Journal of Law and Economics* 36. http://www.j-bradford-delong.net/pdf_files/Princes.pdf

(O) Dixit, Avinash K. *Lawlessness and Economics: Alternative Modes of Governance*. Princeton: Princeton University Press.

4.4. Institutions and Economic Performance

(B) North, Douglass C. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.

(B) Ozmucur, Suleyman and Sevkut Pamkut, "Institutional Change and the Longevity of the Ottoman Empire, 1500-1800", *Journal of Interdisciplinary History*, Vol. 35, 2004, pp. 225-47.

** North, Douglass C. and Robert P. Thomas. 1973. *The Rise of the Western World*. Cambridge: Cambridge University Press.

** Hall, Robert E. and Charles I. Jones. 1999. "Why Do Some Countries Produce So Much More Output per Worker than Others?" *Quarterly Journal of Economics*, 114:83-116.

** Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91 (December): 1369-1401.

** Banerjee, Abhijit; Iyer, Lakshmi (2004). "History, Institutions, and Economic Performance: The Legacy of Colonial Land Tenure Systems in India" *The American Economic Review*, 95(4): 1190-1213.

(O) Acemoglu, Daron, Simon Johnson, and James Robinson (2005). "The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth," *American Economic Review*, 95(3).

4.5 Inequality and Development

(B) Peter H. Lindert (1986), "Unequal English Wealth since 1670," *Journal of Political Economy* 94(6): 1127-1162

** Engerman, Stanley and Kenneth Sokoloff (2002), "Factor Endowments, Institutions and Differential Paths of Development Among New World Economies" NBER WP 9259.
<http://www.nber.org/papers/w9259>

** Easterly, William (2001). "Middle Class Consensus and Economic Growth," *Journal of Economic Growth* 6: 318-326.

5. The Spread of the Industrial Revolution and Convergence

** Pritchett, Lant (1997). "Divergence, Big Time," *Journal of Economic Perspectives* 11(3): 3-17.

** Bourguignon, Francois and Morrisson Christian (2002). "Inequality Among World Citizens: 1820-1992," *American Economic Review* 92(4): 727-744.

(O) Baumol, William J. (1986). "Productivity Growth, Convergence, and Welfare: What the Long-Run Data Show," *American Economic Review* 76(5): 1072-1085.

(O) De Long, J. Bradford (1986). "Productivity Growth, Convergence, and Welfare: A Comment," *American Economic Review* 76(5): 1138-1154.

(O) Dowrick, Steve and De Long, J. Bradford (2003). "Globalization and Convergence," Chapter 4 of *Globalization in Historical Perspective*, edited by Michael Bordo, Alan M. Taylor, and Jeffrey G. Williamson.

6. Borders and Transport Costs: Past and Present.

** Engel, Charles and John H. Rogers (1996). "How Wide Is the Border?" *The American Economic Review* 86(5): 1112-1125.

** Shiue, Carol H. (2005). "From Political Fragmentation towards a Customs Union: Border Effects of the German Zollverein, 1815 to 1855," *European Review of Economic History*, August 9(2): 129-162. http://spot.colorado.edu/~shiue/BorderEffects_022504.pdf

(O) McCallum, John (1995). "National Borders Matter: Canada-U.S. Regional Trade Patterns," *The American Economic Review* 85(3): 615-623.

(O) Keller, Wolfgang and Carol H. Shiue (forthcoming) "The Origins of Spatial Interaction: Evidence from Chinese Rice Markets, 1742-1795," *Journal of Econometrics*.
<http://spot.colorado.edu/~shiue/Origins.pdf>

7. Cities and Regional Development: Distribution of Economic Activity

(B) Krugman, Paul (1998). *Development, Geography, and Economic Theory*. Cambridge: MIT Press.

(B) Hohenberg, Paul M. “The Historical Geography of European Cities: An Interpretive Essay” In *Handbook of Urban and Regional Economics*, edited by J.V. Henderson and J-F. Thisse. <http://www.econ.brown.edu/faculty/henderson/handbook.html>

(B) Sukkoo Kim and Robert Margo, “Historic Perspectives on U.S. Economic Geography” In *Handbook of Urban and Regional Economics*, edited by J.V. Henderson and J-F. Thisse. <http://www.econ.brown.edu/faculty/henderson/handbook.html>

(B) Masahisa Fujita, J. Vernon Henderson, Yoshitsugu Kanemoto and Tomoya Mori, “Spatial Distribution of Economic Activities in Japan and China.” In *Handbook of Urban and Regional Economics*, edited by J.V. Henderson and J-F. Thisse. <http://www.econ.brown.edu/faculty/henderson/handbook.html>

** Davis, Donald and David Weinstein (2002). “Bombs, Bones, and Breaking Points,” *American Economic Review* 92(5). <http://www.columbia.edu/~drd28/BBB.pdf>

** Rauch, James E.(1993), “Does History Matter Only When It Matters Little? The Case of City-Industry Location.” *The Quarterly Journal of Economics*, Vol. 108, No. 3. (Aug., 1993), pp. 843-867.