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 as a whole and that of individual economies: England, France, Germany, and the Netherlands, 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 also aims to provide both historical perspective and experience in the application of economic analysis to major issues. The course is divided into four sections. The first section addresses the big picture question focusing on the forces that cause some countries or areas to be richer than others. An alternative way to phrase this question is to ask why the whole world is not developed? The next section looks at what we actually know about the operation of these forces in Europe prior to the Industrial Revolution. The discussion here focuses on the environmental, demographic, agrarian, technological and institutional changes that supported change in Europe. The third section examines the period of 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 section 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. In addition, he or she will prepare a paper of 10-12 pages on this topic. A draft of the paper is expected within three weeks of the class presentation. The final draft is expected within five weeks of the presentation, or April 20th if sooner. The paper is expected to be an
enlightened review of the literature on the topic, dealing with such issues as the development of the field, the focus of the questions, the strengths and weaknesses of the approaches and the remaining issues.

Grades will be calculated in the following manner. Class attendance and participation in class discussions, 15%. Topic presentation, 35%. The paper for 50%.

Eight books that we will use often during the course are:

- Jared Diamond, *Germs, Guns, and Steel*
- E. Jones, *The European Miracle*
- David Landes, *The Wealth and Poverty of Nations*
- Joel Mokyr, *The Lever of Riches: Technological Creativity and Economic Progress*
- J. de Vries and A. van der Woude, *The First Modern Economy*
- Ester Boserup, *The Conditions of Agricultural Growth: The Economics of Agrarian Change under Population Pressure*
- Douglass C. North and Robert Paul Thomas, *The Rise of the Western World: A New Economic History*

They are available in the bookstore. The remaining material will be on reserve in the Norlin or in the Periodical Room. Some of the articles may be found on JStor.

**TOPIC OUTLINES AND READINGS**

**Section 1:**

Here the overarching question is, why is the whole world not developed? In this section we examine the various theses that seek to explain this divergence. These include environmental, demographic, institutional, and technological forces.

1. **Introduction**

   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 differences across levels of development is given in:

Crafts gives us a picture of the end of the story. We know want to go back to some starting point. Let's begin with:


What we have here is a very influential vision of how the modern world developed. And we mean world. The focus here is not really the vantage point of economic history, but you will find plenty of stimulating thoughts on how environmental factors influenced the pace of development.

For other perspectives see
John P. Powelson, *Centuries of Economic Endeavor*, pp. 1-12, 42-77.

2. Another Global Perspective: Landes

We've missed a week, so there's much to read for this class. Finish Diamond, pp. 265-425, but read selectively as this section mainly comprises case studies. What we have is a global perspective on Europe, a useful counterpoint to our next reading:


Landes provides a distinctive point of view on the economic history of Europe from its origins to the eve of the Industrial Revolution. So, the task is to understand the principal factors behind the development of Europe pre-1750. What does Landes stress, what does he depreciate, and most important—what does he leave out?

3. Another perspective on the pre-modern World


This book was written before Diamond, but it represents a different take on the basic problems, again for a global context. There is a broader look at the environment here, focusing more directly on climate and the disasters it can cause. Landes was aware of this work as well, so now we can pause and pick among the three to develop our best sense of how pre-modern economies functioned across the globe.

4. The Story of Technology

Joel Mokyr, *The Lever of Riches*, read the book.

This book will provide us with a final perspective on the pre-modern economies, but then it sails on to the end of the course! The history of technology is a natural primer for our more extended look at the Industrial Revolution, and we have another take here on: why England first? Also, this book looks again at China in comparison to Europe. What we have here is a marvelous summary of the main issues in the history of technology—so make a list of them for our discussion.
5. The Story of Agriculture

Ester Boserup, *The Conditions of Agricultural Growth*, read the book

Ultimately, development is going to depend on man’s relationship with his environment. How much can be produced will determine the standard of living. The history of agriculture is determined both by population growth and by technological change. You can now think about how the picture presented here works with the issues raised so far.

6. The story of Institutions

Douglass C. North and Robert Paul Thomas, *The Rise of the Western World*

A final theme in our discussion of the forces generating development is that of the role of institutions and property rights. Here the story focuses on the emergence of property rights and the institutions that allowed them to arise.

**Section 2:**

We now essentially move from the bigger picture or the macro picture to the more detailed or micro perspective. We take the themes as presented in the last section and examine them in specific times and places.

1. European Demography and Income.

For an agrarian economy, the Malthusian model argues that real income and population move inversely. We need to take some time to ask what exactly is the Malthusian model. 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


Here we will start with the material in ch 11. 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 scanned rapidly, but the material on pp. 207-265 should be studied more carefully.
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 Moyckr, *Why Ireland Starved*, ch.3

For a revisionist position see


2. Institutions and Institutional Change

To understand completely the institutional argument, one has to understand the notion of transactions costs. A classic article here is that by:


Also:


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

3. **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 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. An alternative focus on medieval agriculture can be found in


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. See:

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,


For a survey of the contemporary debate:


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


4. **The State and Other Social Institutions**

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. 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*

The growth of British trade is discussed in


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


John Brewer, *The Sinews of Power* chs 1-5

For a transaction-cost analysis of the same events see


For recent analyses of financial market integration see


For the situation in France see:


Section 3:

1. 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.

A good summary 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.

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


Obviously, technology was a major component of the Industrial Revolution. The classic here is:

David Landes, *The Unbound Prometheus*, chs. 1, 2 and 3. and see his recent comments

See also:

Joel Mokyr, *Lever of Riches*.

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

For an important examination of other forces leading to the industrial revolution see:


2. 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. 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


An alternative measure of living standards is to be found using other data sources:


The rise of the factory as the main location of work was a striking feature of the industrial revolution. For some discussion of one aspect of this see:


Section 4:

1. 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*

A survey of the ways in which European countries industrialized can be found in


Tying many of the themes together and going back to the question of convergence and divergence:
