
Economic History of Europe

Economics 4514, Fall 2017

MWF HLMS 241

9:00-9:50 a.m.

The prosperity of Europe was achieved over the last few centuries. Exactly how this came about continues to be the subject of a lively and currently very active field of research. The purpose of this course is to introduce topics in the field. We will examine the transformation in global development that occurred between the 16th and 20th centuries and study the timing, the causes, and the consequences of economic growth in Europe from the perspective of economic history and economic growth. Because the literature is vast, we will only have time to selectively survey certain topics and a few countries, however, throughout the course our focus is on how empirical approaches to history have been used to provide quantitative evidence of the argument at hand.

In order to examine the larger context of global economic development, we will consider several themes, including the rise and fall of empires, the dynamism of trade, changing institutions of governance, family and social organization, social and intellectual traditions, and the accumulation of knowledge. To better understand what makes the region unique, we will be interested not only in Europe as an entity in itself, but also in Europe as compared to other parts of the world.

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Prerequisites: Econ 3070 or 3080, Intermediate Micro or Intermediate Macro.

Textbooks

- A History of Modern Europe: From the Renaissance to the Present, 3rd edition, by John Merriman, (hereafter Merriman). A comprehensive one-volume edition. Provides a broad historical background of essential dates and events; contains numerous maps, photos, and excellent descriptions of the social and cultural context of Europe. This text has been ordered at CU Bookstore; used copies can also be found at Amazon.com and other bookstores.
- Atlas of World History, ed. Patrick O'Brien. An online copy will be made available on D2L. Refer to it as needed to see national borders and better understand the geography of Europe.

Course Requirements and Evaluation

Classes will be a combination of lecture, student presentations, and in-class discussion and writing exercises. We will also have a few class sessions for data exploration and reading of historical texts. The success of the class depends entirely on student participation, as I intend to run our meetings similar to a seminar or a study-group. Course grades will be guided by the following breakdown.

Presentation of readings on syllabus	15 %
Data analysis written report	30 %
Final exam	30 %
Participation, in-class exercises	25 %

Final Exam: The final is a take-home exam due, in hardcopy, on or before Monday, Dec. 18, 12 noon in my office (Econ 206B). The questions will be distributed on the last day of class (9 a.m. on Wed., Dec. 13).

Student presentation: Students will take turns presenting readings and articles on the syllabus. Each presentation should be about 25 minutes long, summarizing the content of the article. As part of your presentation, prepare 3 questions for class discussion. Slides for the presentation should be emailed to me at least one hour before the start of class. Those not presenting should be prepared to ask questions and participate in the discussion of the article. I will post everyone's presentation on D2L. In this way, at the end of the course we will have created a "course notebook" to which everyone has contributed, consisting in part of your notes and slides. This course notebook will be will valuable for writing the final exam, and will also demonstrate the positive contributions of joint work.

Data analysis report: A significant number of the readings demonstrate how quantitative methods can shed light on history. For this requirement, you will be given access to historical data, drawn from various sources. The aim of your analysis is to examine patterns or trends in the data, present your findings in a coherent fashion, and discuss what your results imply about European economic development during the relevant period. The report should be 10 typed pages (double spaced) in length, including all references and Tables and Figures. Students should organize in groups of 3 and hand in a 1-paragraph statement of your topic by October 6. A preliminary draft is due on November 3. I will be scheduling meetings with groups in early November discuss your preliminary draft. The report is due in class on Dec. 6, and each group will give a 5-8 minute summary for the class on the findings in their report.

Participation, In-class writing and discussion: These will consist of short writing exercises about the reading assignment for that day, which you will then be able to share with the class. Grading is simple: check, check-plus, or zero.

Attendance: You should plan to come to class unless you are ill. I will take attendance most days. Unexcused absences will negatively affect your grade.

Policies: For class policies on student disabilities, see: <http://www.colorado.edu/disabilityservices>. Policies on religious observance are at http://www.colorado.edu/policies/fac_relig.html. Students and faculty each have responsibility for maintaining an appropriate learning environment. See [policies at http://www.colorado.edu/policies/classbehavior.html](http://www.colorado.edu/policies/classbehavior.html). Policies regarding discrimination and equity will be upheld: <http://www.colorado.edu/odh> and <http://www.colorado.edu/institutionalequity/policies>. All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity [policy](#) of this institution. Violations of

this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. See <http://www.colorado.edu/policies/honor.html> for information on the Honor Code.

Topic Outline and Reading List

Starred *readings are to be placed on D2L. Other readings can be found online or through D2L. Please note: Readings are subject to change, depending on the speed at which we will progress through the semester. We will also be reading historical documents, which will be made available in class or via D2L. Note: The reading list is intentionally long. It is as much a topic outline as a springboard for interested students to continue further reading after this semester. To do well on the final exam, target your readings to each topic, reading to achieve depth of understanding in a number of topics.

The 'Download Data Set' links point to online data and other supplementary materials related to the paper which can be downloaded directly from the author's website or the journal in which the paper was published.

Part I. Overview

1. Economic History and the Problem of Development

Why study history? Why is the subject interesting and challenging at the same time? What can we learn from economic history and its methodological approach? What is modern economic growth? What can Europe teach us about "Why are some nations so rich and others so poor"? As we prepare to look back into the history of Europe, what does human development indices look like in European countries today and what is Europe's standing in the world today economically and politically?

- (8/30) *Cameron and Neal, Ch. 1 and 2.
- (8/30) Solow, Robert M., 1985, "Economic History and Economics," *American Economic Review Papers and Proceedings* 75:2 (May), pp. 328-331.
- (8/30) Human Development Index <http://hdr.undp.org/en/composite/HDI>

2. Long Term Trends in Economic Growth—Cross-country Comparisons

What is to be explained? What patterns in overall income, population, mortality, and fertility can be identified over the last few centuries? How does the industrialization of the 18th century compare with modernization in developing countries today? When did Western Europe forge ahead of other countries of the world? Has there been convergence or divergence the year 1800? Are there differences in historical income trends within Europe, and specifically between Britain and continental Europe? Between Europe and Asia?

- (9/1)*Fogel, Robert, The Escape from Hunger and Premature Death, 1700-2100
- (9/1) Easterlin, Richard A. 2000. "Worldwide Standard of Living Since 1800," *Journal of Economic Perspectives*, 14(1): 7-26.
- (9/1) Shiue, Carol and Wolfgang Keller, "Markets in China and Europe on the Eve of the Industrial Revolution," *American Economic Review*, 2007.
 - Download Data Set: <https://www.aeaweb.org/articles?id=10.1257/aer.97.4.1189>

Part II. Pre-industrial Expansion and Change

1. Medieval society and commerce

What are hallmarks of medieval society in Europe? What was the structure of city-states of the Renaissance Italy? What institutions are familiar and which ones are not? How were commercial relations carried out and sustained? What was the Great Schism and what indirect effects might this have had for subsequent events?

- (9/6) Merriman, Ch. 1, "Medieval legacies and transforming discoveries",
- **(9/6) Student Presentation:** Greif, Avner, 1989. "Reputation and Coalitions in Medieval Trade: Evidence on the Maghribi Traders" *JEH*, Vol. 49, No. 4 (Dec. 1989), pp. 857-882;
- (9/8) Merriman, pp. 44-62, "The Renaissance"; and pp. 85-98, 111-125, "The Roots of the Reformation"
- **(9/8) Student Presentation:** Cantoni, David and Noam Yuchtman, 2014, "Medieval Universities, Legal Institutions, and the Commercial Revolution", *Quarterly Journal of Economics*, 129(2).

2. Family Structure and the European Marriage Pattern

What does the Malthusian model imply about birth rates and material living standards? What is the relationship between population growth and the rate of technological change? What kinds of demographic responses prevailed before modern growth?

- *(9/11) Reading Historical Texts: Malthus, Thomas, 1798. An Essay on the Principle of Population
- (9/11) Schofield, Roger, "British Population Change, 1700-1871", Chapter 4 in *The Economic History of Britain since 1700*, eds. Floud and McCloskey.
- **(9/13) Student presentation:** Clark, Gregory and Gillian Hamilton, 2006. "Survival of the Richest: The Malthusian Method in England, 1585-1638." *Journal of Economic History* 66(3): 707-736.
- (9/15) Hajnal, 1982. "Two kinds of pre-industrial household formation system," *Population Development Review*, 1982.
- **(9/15) Student Presentation:** De Moor, Tine and Jan Luiten Van Zanden, 2010. "Girl Power: the European marriage pattern and labour markets in the North Sea region in the late medieval and early modern period" *Economic History Review*, 2010.

Part III. A Framework for Studying Economic Growth

1. Living Standards and Consumption

What are strategies for estimating and compare differences in living standards and the consumption of people in the past? What can we learn from these comparisons of living standards on the timing of growth relative to countries within Europe and non-European regions?

- (9/18) Merriman, pp. 513-547, The Industrial Revolution.
- **(9/18) Student presentation:** Robert C. Allen, "The Great Divergence in European Wages and Prices from the Middle Ages to the First World War", *Explorations in Economic History*, Vol 38, October 2001: 411-47.
 - Download Data Set (Excel):
<https://www.nuffield.ox.ac.uk/People/sites/Allen/SitePages/Biography.aspx>
- (9/18) Ozmucur and Pamuk, "Real wages and standards of Living in the Ottoman Empire, 1489-1914". *Journal of Economic History*, 62(2) 2002: 225-247.
- **(9/20) Student presentation:** Ogilvie, Sheilagh, 2010. "Consumption, Social Capital, and the 'Industrious Revolution' in Early Modern Germany". *Journal of Economic History* 70(2): 287-325.

2. A Theoretical Model of Growth

Modern growth theory begins with the Solow Model. This model provides a framework for development accounting and growth accounting, and a basis for understanding proximate and fundamental factors of growth in contemporary economies. It is also a basis for examining sources of growth in other periods.

- **(9/25) Student Presentation:** Fouquet, Roger and Broadberry, Stephen, 2015. "Seven centuries of European economic growth and decline," *Journal of Economic Perspectives*, 29 (4).

- (9/27) Hall, Robert 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.

3. Demographic Transition Between Regimes

What explains the historical fertility decline? Was there conscious and strategic fertility control in the 18th century or before? What is the relationship between demographic transition and industrialization, particularly over the role of human capital?

- (9/29) Merriman pp. 758-top of 778.
- (9/29) Lee, Ronald, 2003. "The Demographic Transition: Three Centuries of Fundamental Change," *Journal of Economic Perspectives*, 17(4) pp. 167-190.
- **(10/2) Student Presentation:** Becker, Sascha O. et al., 2010. "The trade-off between fertility and education: evidence from before the demographic transition", *Journal of Economic Growth* 15(3): 177-204.

Part IV: Determinants of Economic Development

1. Productivity Change in Agriculture from Medieval to Early Modern

What was the nature of the productivity advances made in medieval times? How were improvements in agricultural productivity from the Middle Ages to the 18th century accomplished? How much does agricultural change explain urban growth and population increases? How did British society change in terms of the hours worked and total factor productivity of the economy?

- (10/4) Merriman, pp.162-171 and pp. 349-366.
- (10/4) Reading Historical Texts: Arthur Young (1741-1820)
- **(10/6) Student presentation:** Allen, Robert. "Agriculture during the industrial revolution " Ch. 5 in Floud and McCloskey, *The Economic History of Britain*.
 - Download Data Set (Excel):
 - <http://www.iisg.nl/hpw/data.php>
 - <http://nyuad.nyu.edu/en/research/faculty-research/re-counting-the-past.html>
- (10/6) Wrigley, E.A., 1985. "Urban Growth and Agricultural Change" *Journal of Interdisciplinary History*, 15(4). pp. 683-728.
- (10/9) Reading Historical Texts: Old Bailey records
- **(10/9) Student Presentation:** Joachim-Voth, Hans, 1998. "Time and Work in Eighteenth century London" *Journal of Economic History*, 58(1) March.

2. Agricultural Risks and Property Rights on Land

In the Middle Ages in Europe, much agricultural land was held in open, scattered fields with common areas for grazing. Why did an apparently inefficient institution persist for so long? What types of risks did pre-industrial households experience and how did the open field system help to smooth fluctuations in income? What accounted for the gradual enclosing of open fields into plots with private property rights?

- (10/11)*Cameron and Neal, Ch. 3, pp. 44-54.
- **(10/11) Student Presentation:** McCloskey, D. "The Enclosure of Open Fields: Preface to a Study of Its Impact on the Efficiency of English Agriculture in the Eighteenth Century" *JEH*, March 1972.
- **(10/13) Student presentation:** Richardson, Gary, 2005. "The Prudent Village: Risk Pooling Institutions in the Medieval Village" *Journal of Economic History*, 65(2).

3. Changing European Institutions: Political Foundations, Laws, and Property Rights

a. Political Foundations of Public Finance

The history of Britain provides a story of how growth followed upon civil warfare in which an exploitative monarchy was turned into a constitutional state where absolute monopoly on power was replaced by checks and balances by Parliament. How can this hypothesis be tested? What common themes exist between history and developing countries of today?

- (10/16) Merriman, pp. 208-231.
- **(10/16) Student Presentation:** North, Douglass C., and B. R. Weingast. 1989. "Constitutions and Commitment: Evolution of Institutions Governing Public Choice." *Journal of Economic History* XLIX, 803-32.
- **(10/18) Student Presentation:** Acemoglu, Daron, et al., 2005. "The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth," *American Economic Review*, 95(3).
 - Download Data Set: <https://www.aeaweb.org/articles?id=10.1257/0002828054201305>
- *O'Brien, Patrick, "Central Government and the Economy, 1688-1815" Chapter 9 in *The Economic History of Britain in 1700*.
- **(10/20) Student Presentation:** Besley, Timothy and Torsten Persson, 2014. "Why Do Developing Countries Tax so Little?" *Journal of Economic Perspectives* Vol. 28, Issue 4, Fall.
 - Download Data Set (Stata): http://pop.iies.su.se/Data_1.html

b. National Monarchies and Absolute States

What are the major traditions of governance across Europe? What are the key differences in the nature of laws and the power structure of the ruler and the state? How, and why, might these differences affect economic outcomes?

- (10/23) Merriman, pp. 242-268.
- (10/23) In-class video "National Monarchies"
- **(10/25) Student Presentation:** De Long, J. Bradford and Andrei Shleifer, 1993. "Princes and Merchants: European City Growth before the Industrial Revolution," *The Journal of Law and Economics* 36, no. 2: 671-702.

c. Conflict and Conquests

What were the consequences of military conflicts in Europe? Did Europe develop despite the costs of war or did wars have indirect effects that intersected with economic growth? If so, what is the argument and the evidence?

- (10/27) Merriman, pp. 387-top 404.
- (10/27) Hoffman, Philip T., 2012. "Why Was It Europeans Who Conquered the World?" *Journal of Economic History*, 72 (3). pp. 601-633.
- **(10/27) Student Presentation:** Dincecco, Mark, 2016. "Military conflict and the rise of urban Europe". *Journal of Economic Growth*, Vol. 21, Issue 3, pp. 259–282.
 - Download Data Set (Stata): <https://link.springer.com/article/10.1007/s10887-016-9129-4>

4. External Sources of Growth: Trade and Empire

How did European imperialism and colonization affect growth in Europe? What are some of the economically important aspects of colonization? What are the channels through which trade affects growth? What is the institutional basis of long-distance trade and how are these different aspects of trade interact with across different societies? What kinds of data can be used to estimate the persistent impacts of events that took place centuries ago?

- (10/30) Merriman, pp. 195-198, pp. 819-859.
- **(10/30) Student Presentation:** Acemoglu, Daron, et al. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review*, 91(5): 1369-1401.
 - Download Data Set (Stata): <https://economics.mit.edu/faculty/acemoglu/data/ajr2001>
- **(11/1) Student Presentation:** Nunn Nathan. 2008. "The Long Term Effects of Africa's Slave Trades." *Quarterly Journal of Economics*. 123 (1): 139-176.
 - Download Data Set (Stata, Shapefiles): <https://scholar.harvard.edu/nunn/pages/data-0>
- (11/1) Shiue, Carol and Wolfgang Keller, 2017. "Capital Markets and Colonial Institutions in China"

5. Transmission of Knowledge and the Scientific Method

Why were new technologies invented and adopted? When and where did these technologies appear in connection to industrialization? How might incentives and human capital shape technological leadership? Why circumstances would reduce incentives to adopt new innovations? What types of situations and data sets allow us to learn about conditions that may lead to more knowledge production?

- (11/3) Merriman, pp. 287-311 and 312-348.
- (11/3) Mokyr, Joel, 2005. "The Intellectual Origins of Modern Economic Growth," *Journal of Economic History*, 65, pp. 285-351.
- **(11/3) Student presentation:** Squicciarini, Mara P. and Nico Voigtländer, Human Capital and Industrialization: Evidence from the Age of Enlightenment. *Quarterly Journal of Economics* 2015, 130(4): 1825-1883.
 - Download Data Set: <http://www.anderson.ucla.edu/faculty/nico.v/Research/papers.htm>

Draft Due 11/3. Mandatory group meetings Nov. 6 - Nov. 10 (to be scheduled).

Part V. Continuity and Change to the 19-20th century

1. Income Inequality and the Welfare State

How did public and private organizations provide public goods and poor relief. How did these perspectives change over time? What key patterns are observed between income inequality and mobility?

- (11/27) Merriman, pp. 692-700, 783-798.
- **(11/27) Student presentation:** Persky, Joseph, 1997. "Classical Family Values: Ending the Poor Laws as they knew them," *Journal of Economic Perspectives*, Winter, 11(1).
- **(11/29) Student presentation:** Kleven, Henrik Jacobsen, 2014. "How Can Scandinavians Tax So Much?" *Journal of Economic Perspectives*, (28)4: 77-98.
- (12/1) Lindert, Peter, 2014. "Private Welfare and the Welfare State", in *The Cambridge History of Capitalism*, eds. Larry Neal and Jeffrey Williamson.
- (12/1) Corak, Miles, 2013. "Income Inequality, Equality of Opportunity, and Intergenerational Mobility." *Journal of Economic Perspectives*, 27(3): 79-102.

2. The Future of Growth

What are the main patterns in British commercial and military leadership after the second half of the 19th century? Are there lessons or implications for growth for other countries? What has changed, what has not changed?

- (12/4) Merriman, Ch. 30, pp. 1219-1239: "Global Challenges: "Fortress Europe", European Cooperation, and the Uncertainties of a New Age."

- (12/4) “Boom or Doom? Debating the Future of the U.S. Economy”, October 2016, presented by Economists Joel Mokyr and Robert Gordon.