

Econ. 365 Topics in Economic History
George Mason University, Fall, 2010

Instructor: Noel D. Johnson

Email: njohnsoL@gmu.edu

Office Location: Carow 8 and Hazel Hall 434B

Office Hours: Tuesdays and Thursdays: 1:00 to 2:00 p.m. in Carow 8

Course Web Page: <http://web.mac.com/noeldjohnson/Site/Teaching.html>

Course Description

In this course we will study history through the lens of economic theory. The course will follow a roughly chronological order; beginning around 8,000 BCE and extending to post World War II Era. The single narrative thread that will tie the the course together is the rise of the Western World to economic prominence and (potentially) the seeds of its decline. While telling this story, we will make frequent digressions into specific sub-narratives. These specific topics include: What is the relationship between ecology and economic growth? How did colonialism affect economic growth? What is the relationship between regulation, the state, and economic growth? Why did North America rise to economic prominence during the nineteenth century rather than South America? What role does culture play in economic growth? What is the role of technological change in economic growth?

Course Requirements

Midterm Exam worth 20% of your final grade.

Comprehensive Final Exam worth 20% of your final grade.

Required to read the articles and participate. This is worth 20% of your final grade (see below).

Research paper worth 20% of your final grade.

Stuff Leading Up To Research Paper (see below) is worth 20% of your final grade.

A Note on Exams

There will be two exams in this course, one midterm and a final. The final will be administered on Tuesday, 12/14 from 10:30 am to 1:15 pm and is comprehensive. You are required to take the final, failure to do so will result in an F for the course. The final exam will only be rescheduled for a University condoned reason and I will ask for a note from your doctor (and will call said to doctor to confirm the note) if this is your excuse.

If you miss the midterm, then I will not give a make-up exam. Instead, I will increase the value of your final exam to 40% of your course grade.

Exams will consist of a mix of short definitions, multiple choice, and essay questions. They will focus on the readings and class lecture.

A Note on Class Participation

It is important to do the readings and participate in class. The better prepared you are for lecture, the more likely you will be able to ask clarifying questions and, when appropriate, give your opinions. You will be tested on the readings (in addition to the lecture material) on the exams. However, in order to encourage you to keep up to date, I will also "cold call" on several students during each lecture (sometimes there will be more of this than others, depends on the reading). My questions may be about any aspect of the readings due for that day (or a previous day). Depending on your answer, I will record a 1, 2, or, 3 in the roster by your name. 3 is good. 2 is okay. 1 is bad. At the end of the semester I will use these grades (along with a more subjective component that relates to how much, in general, I think you have contributed to the class) to determine how much of the 25% participation grade you get.

Since we all have bad days from time to time, you will have the option of “opting out” of the cold call list that I use before each class begins. I will leave a copy of the roster out at the front of the classroom during the five minutes before class. If you wish to *not* be called on that day, you can cross out your name at that time. You may do this three times during the semester. For each additional time you cross off your name above the condoned three, I will deduct points from your final grade (think of it as worse than getting a “1” on your question that day). You may not elect to be crossed of the list *after* I ask you a question, or, when I call on you. Requesting this, gets you an automatic 1 for the question.

A Note on the Paper

This course fulfills in part the Writing Intensive requirement in the Economics major. It does through the completion of a research paper along with various assignments leading up to the paper. The paper should contain a literature survey and critical essay on one important issue in the study of economic history. Your topic can be from any period of history and cover any geographic area you find interesting. Most importantly, you should test or attempt to study a specific hypothesis using historical data (see handout on writing a good research paper for more information). The test need not be econometric. While it is normal to expect that this will involve some modeling and simple regressions it is also possible to produce a good paper making clever use of equations, tables, and/or graphs. What is essential is that you learn how to make an argument and sustain or reject it on the basis of empirical evidence (again, “empirical” does not necessarily mean “numbers”). You might seek to apply an existing model to different data or repeat a test that already exists in the literature using different time periods. The final work should be about 15 pages in length, double-spaced in Times Roman 12 pt. font.

To assist you in the writing and completion of the paper I’m providing some credible threats/incentives to encourage you to accomplish four distinct steps in the writing process. The first step is the writing of a preliminary proposal. The preliminary proposal describes the topic (about half a page) and provides a brief bibliography (five or six citations). I also strongly encourage you to meet with me sometime before choosing your topic and writing the proposal. The preliminary proposal is due October 5 at the beginning of class. The second step is the completion of a detailed proposal. The detailed proposal contains the introduction and literature review of your paper and is due November 2 at the beginning of class. The third and fourth steps are the completion of rough and final drafts of your paper. The rough draft is due November 30 at the beginning of class. The final draft is due on the last day of class: December 9 at 10:30 a.m..

I will take half a letter grade off your assignment grade if you don’t hand it in when it is due. I will take an additional half a letter grade off for every 24 hour period you don’t hand in the assignment.

A Note on Econometrics

Some of the articles we will be reading require knowledge of econometric techniques. I will attempt to explain the methods used when they come up, however, this is not an econometrics class and you may wish to have a more detailed treatment of the methods at your disposal. It is a fact of the economist’s life that empirical methods are very, very, important. Two excellent sources for the basics (plus some more advanced material) are:

Peter Kennedy, *A Guide to Econometrics*, (Wiley-Blackwell: 2008).

Joshua Angrist and Jorn-Steffen Pischke. *Mostly Harmless Econometrics: An Empiricists Companion*, (Princeton University Press: Princeton, 2008).

In addition you can download several brief articles on econometric technique from my teaching webpage:

<http://web.mac.com/noeldjohnson/Site/Teaching.html>

Course Materials

The following books are required:

1. Jared Diamond. (2005). *Guns, Germs, and Steel: The Fates of Human Societies*.
2. L.E. Birdzell and Nathan Rosenberg. (1987). *How the West Grew Rich*.
3. Joel Mokyr. (1992) *The Lever of Riches*.

4. Gregory Clark. (2008). *A Farewell to Alms*.
5. Niall Ferguson. (2002). *The Cash Nexus: Money and Power in the Modern World*.

We will also be reading some articles. All of the readings are either in the books listed above, or, can be downloaded from either JSTOR, the NBER Working Papers archive, or EconLit. You are required to acquire these papers and read them *before* the week they are listed on the syllabus. You are expected to know the readings for the exams.

Some Important Dates

First Day of Classes: August 30
Labor Day Holiday (No Class): September 6
Columbus Day Holiday (No Class): October 11
Thanksgiving Recess: November 24 - 28
Last Day of Classes: December 11
Final Exam: Tuesday, 12/14 from 10:30 am to 1:15 pm

Course Outline (Subject to Change)

1: Introduction

McCloskey, Donald. "Economics as an historical science" in William Parker ed., *Economic History and the Modern Economist* [not available online, I will send out copy via email].

Clark, Ch. 1

Tyler Cowen (2010), "Daron Acemoglu on the U.S.-Mexican Border" <http://tinyurl.com/dl20100105h>.

Daron Acemoglu (2009), "What Makes a Nation Rich? One Economist's Big Answer" <http://tinyurl.com/dl20100105i>.

Alex Tabarrok (2010), "Soviet Growth and American Textbooks" <http://tinyurl.com/dl20100105f>.

David Levy and Sandra Peart (2009), "Soviet Growth and American Textbooks" <http://tinyurl.com/dl20100105g>.

2: Approaches to Economic History

Mokyr, Ch.'s 7, 11

Douglass North, John Wallis, and Barry Weingast. "A Conceptual Framework for Interpreting Recorded Human History," *NBER Working Paper No. 12795*.

3: Ecological Origins of Economic Growth

Diamond, Ch's 1, 3, 4, 5, 10, 11, 12, 13, and 14

Michael Kremer (1993) "Population Growth and Technological Change: One Million B.C. to 1990" *The Quarterly Journal of Economics*, Vol. 108, No. 3, pp. 681-716

4: The Malthusian World

Clark, Ch's 2, 3, 4, 5

Avner Grief (1989) "Reputation and Coalitions in Medieval Trade: Evidence on the Maghribi Traders." *The Journal of Economic History*, Vol. 49, no. 4, pp. 857-82.

Barry Baysinger, Robert Ekelund Jr., and Robert Tollison (1980) "Mercantilism as a Rent-Seeking Society." In James Buchanan, Robert Tollison, and Gordon Tullock, eds. *Toward a Theory of the Rent Seeking Society*, (Texas A&M Univ. Press, College Station), pp. 235-68. [Not available online. I will distribute a copy in class.]

5: Transition from Malthus

Rosenberg and Birdzell, Ch. 4

Douglass C. North and Barry R. Weingast, "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England," *Journal of Economic History*, Vol. 49, No. 4 (December 1989), pp. 803-32.

Joel Mokyr (2005) "The Intellectual Origins of Modern Growth." *The Journal of Economic History*, Vol. 65, No. 2, pp. 285-351.

Ernst Fehr, Karla Hoff, and Mayuresh Kshetramade (2008) "Spite and Development." *World Bank Policy Research Paper 4619*.

Craig Muldrew (1996) "The Culture of Reconciliation: Community and the Settlement of Economic Disputes in Early Modern England." *The Historic Journal*, Vol. 39, No. 4, pp. 915-42.

Midterm Exam (covers material in sections 1-5)

6: Industrial Revolution

Rosenberg and Birdzell, Ch. 5

Clark Ch's 10, 11, 12, 13

Mokyr Ch. 5

7: Capitalism in Practice

Clark, Ch. 14

Rosenberg and Birdzell, Ch's 6-9

Deirdre McCloskey (1998) "Bourgeois Virtue and the History of P and S." *The Journal of Economic History*, Vol. 58, No. 2.

Samuel Bowles (2008) "Policies Designed for Self-Interested Citizens May Undermine 'The Moral Sentiments'." *Science*, Vol. 320, 20 June, pp. 1605-1609.

Michael R Haines, Lee A. Craig, and Thomas Weiss, "The Short and the Dead: Nutrition, Mortality, and the 'Antebellum Puzzle' in the United States," *Journal of Economic History*, Vol. 63, No. 2 (June 2003), pp. 382-414.

8: Divergence

Clark, Ch.'s 15, 16, 17

Daron Acemoglu; Simon Johnson; James A. Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation." *The American Economic Review*, Vol. 91, No. 5. (Dec., 2001), pp. 1369-1401.

Nathan Nunn (2008) "The Long-Term Effects of Africa's Slave Trades." *Quarterly Journal of Economics*, Vol. 123, No. 1, Pages 139-176.

Stanley Engerman and Kenneth Sokoloff, "Factor Endowments, Inequality, and Paths to Development Among New World Economies." *NBER Working Paper No. 9259* (2002).

9: War and the Nation State

Ferguson, "Introduction" and Ch.'s 1, 2, and 3

Robert Higgs, "Crisis, Bigger Government, and Ideological Change: Two Hypotheses on the Ratchet Phenomenon," *Explorations in Economic History*, Vol. 22, No. 1 (January 1985), pp. 1-28.

North, Douglass C. and John Joseph Wallis. "American Government Expenditures: A Historical Perspective." *The American Economic Review*, Vol. 72, No. 2, Papers and Proceedings of the Ninety- Fourth Annual Meeting of the American Economic Association (May, 1982), pp. 336-340 .

10. Economic and Financial Crises

Ferguson, Ch.'s 4, 5, 9, 10, 11

Michael D. Bordo, Barry Eichengreen, and Douglas A. Irwin, "Is Globalization Today Really Different Than Globalization A Hundred Years Ago." *National Bureau of Economic Research Working Paper w7195*. [Available online at <http://www.nber.org/papers/w7195>].

Carmen Reinhart and Kenneth Rogoff (2008) "This Time is Different: A Panoramic View of Eight Centuries of

Financial Crises." *National Bureau of Economic Research Working Paper w13882*.

11: Democracy, Distribution, and Growth

Ferguson, Ch.'s 7, 8, and 12

Edward Glaeser, Rafael La Porta, Florencio Lopez-De-Silanes, Andrei Shleifer, "Do Institutions Cause Growth?" *Journal of Economic Growth*, Vol. 9 (2004).

John Joseph Wallis, "Constitutions, Corporations, and Corruption: American States and Constitutional Change, 1842-1852." *Journal of Economic History*, Vol. 65, No. 1 (March 2005).

Barry R. Weingast, "The Economic Role of Political Institutions: Market-Preserving Federalism and Economic Development," *Journal of Law, Economics, and Organization*, Vol. 11, No. 1 (April 1995), pp. 1-31.

Comprehensive Final Exam: Tuesday, 12/14 from 10:30 am to 1:15 pm