Econ. 365 Topics in Economic History George Mason University, Spring 2016 Th 7:20 – 10:00, Room: Robinson Hall A412

Instructor: Noel D. Johnson

Email: njohnsoL@gmu.edu

Office Location: Carow 8

Office Hours: Thursday 5:00-6:00

Course Webpage: TBA

Course Description

In this course we will study history through the lens of economic theory. The course will cover subjects beginning around 8,000 BCE and extending to the post World War II Era. The main focus, however, will be on Western Europe between 1300 and 1800. The three central topics which tie the course together are: (i) The mutability of different forms of social identity and political organization; (ii) The rise of the western part of Eurasia (Europe) to economic dominance by the onset of the Age of Exploration in the 1500's; (iii) An understanding of the potential causes and consequences of the Great Divergence in incomes around 1800. The primary methods I will teach you to use are historical analysis and empirical methods. As such, you should be willing to learn some econometrics (which I will teach you) in order to succeed in this class.

Grades

Eighty percent of success is showing up – Woody Allen

Midterm Exam worth 25% of your final grade.

Comprehensive Final Exam worth 30% of your final grade.

Research paper worth 30% of your final grade.

Preliminary paper proposal is worth 5% of your final grade.

Class attendance and participation is 10% 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 during the University assigned testing period 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.

The timing of the midterm is placed approximately in the course outline below. 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 55% of your course grade.

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

If you wish to dispute the grading of an exam you must submit a typed request making explicit reference to the problem(s) along with the original test within two class periods (one week). I will then review your arguments and decide if a mistake was made. Under no circumstances will I discuss grading with a student until after I have received and reviewed the written complaint. Office hours are for me to help you understand course material, not for grade disputes.

A Note on the Paper

This course fulfills the Writing Intensive requirement in the Economics major. It does so 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 time-period before 1960. Most importantly, you should test or attempt to study a specific hypothesis using historical data. The test need not be econometric. While it is normal to expect that this will involve some formal modeling it is also possible to produce a good paper making clever use of tables and graphs. What is essential is that you learn how to make an argument and sustain or reject it on the basis of empirical evidence. 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 15-20 pages in length, double-spaced in Times Roman 12 pt. font.

The first step is the writing of a preliminary proposal. The preliminary proposal describes the topic (about a paragraph or so) and provides a brief bibliography (about five sources). **At least one of these sources should be a primary source.** I also strongly encourage you to meet with me sometime before choosing your topic and writing the proposal. The preliminary proposal is due February 25 at the beginning of class. The final draft of the paper must be emailed to me before the end of the day on April 28.

Please hand in all writing assignments to me electronically by sending them to one of my email addresses: njohnsoL@gmu.edu OR noeldjohnson@mac.com (either will work, please don't send to both). Also, you must email me a .pdf copy of the paper. I will NOT ACCEPT .docx or any other formats.

I will take half a letter grade (5%) 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 it in.

A Note on Sources: I expect many of your sources to come from academic journals. For example, the most important economic history journals are the Journal of Economic History, Explorations in Economic History, the European Review of Economic History, and the Economic History Review. If you have no sources from any of these journals, you're probably missing something. A good place to start your search is google scholar. Another good database to use is EconLit. The latter is available for free through your Mason library account.

One of the main points of this exercise is for you to show me that you can figure out the contributions mainstream economists have made on the topic and what the implications of those contributions are. If too many of the sources you use are too old or not representative of work being done by mainstream economists in the field today, you will receive a much lower grade. A good rule of thumb is that a source is 'old' if it is from before 1990 or so (there are major exceptions obviously).

When considering if a source deals with the 'economic history' of a topic, a good rule of thumb is that it is history if it occurred before World War II, or, if it comes from one of the four economic history journals mentioned above. This is obviously not true all the time, but it will work as a guideline for this class. If you don't actually engage with the economic history literature in your paper, you will receive a very low grade. If you have questions about this, come see me during my office hours to discuss.

A Note on the Course Timeline

Attached to this syllabus is a timeline of events I've put together to help you keep your bearings in the course. I expect everyone to have the dates and events on this timeline **memorized by the midterm exam**. No exceptions. This is a rote exercise, however, it is a useful one nonetheless. Unless you have some context for the theories and trends we discuss, you'll be lost. I suggest you sit down in front of a computer with internet access and systematically go through each event by visiting the relevant wikipedia page. This will give you more background on the entries and, as a bonus, you'll find that these are actually interesting events. I will test you on these dates and events on the midterm and the final. Furthermore, if I find the class is not exhibiting sufficient interest/attendance with regards to the lectures, I will start giving out pop quizzes which cover the timeline (as well as other material from lecture). These quizzes will count towards your participation grade in a manner of my own deciding.

Course Materials

The following book is required:

• Diamond, J. M. (1999). Guns, Germs, and Steel: The Fates of Human Societies. W.W. Norton & Co., 1 edition

We will be reading many articles which are available for download on the class's Dropbox folder accessed via a link on the course webpage. In addition, most of the readings can be downloaded from either JSTOR, the NBER Working Papers archive, or EconLit through the GMU libraries research databases page. You are required to acquire these papers and read them before the class in which they are covered. You are expected to know the readings for the exams.

If you would like more material on the empirical methods we cover, 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, Mastering Metrics: The Path from Cause to Effect. (Princeton University Press, 2014).

A good place to get advice on how to write a paper is here:

• McCloskey, D. (2000). Economical Writing. Waveland Press, Incorporated

Or, you could take a look at the material on my webpage here: http://goo.gl/LBkws1

We will also be reading articles which are available for download on a Dropbox folder accessed via a link on the course webpage. In addition, most of the readings can be downloaded from either JSTOR, the NBER Working Papers archive, or EconLit through the GMU libraries research databases page. 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: 1/21

Spring Break: 3/7-3/11

Last Day of Classes: 4/28

Final Exam: Thursday 5/5 from 7:30 pm to 10:15 pm

Course Timeline

- **c.a. 8,000 BC** Settled agriculture established in the Fertile Crescent (part of the Neolithic Revolution).
- **44 BC** Julius Ceaser, conquerer of Gaul, stabbed to death in the Roman Senate. Transition from Roman Republic to the Roman Empire.
- **390 BC** Rome is sacked after the Battle of Allia by the Gauls. Will be sacked again in 410 (Visigoths), 455 (Vandals), 546 (Ostrogoths), 846 (Arabs, or, 'Saracens'), 1084 (Normans), and 1527 (Charles V, Holy Roman Emperor).
- 622 The Hijra. Mohammed and his followers go to Medina to escape persecution. Mecca conquered by 630. Shiites and Sunnis split over succession issues after Mohammed's death in 632.
- 800 Charlemagne crowned Holy Roman Emperor by Pope Leo III. Unifies rule over most of Western Europe.
- 843 Treaty of Verdun. Divided the Carolingian Empire into three kingdoms (west, middle, and east Francia) between the three surviving grandsons of Charlemagne.
- 1066 William the Conquerer (from Normandy) defeats English forces at the Battle of Hastings.
- 1075 Pope Gregory VII issues the *Dictatus Papae* which sparks the Investiture Controversy between himself and Henry IV, Holy Roman Emperor. Henry forced to abdicate and Germany remains fractionalized for centuries to come.
- 1209–1255 Albigensian Crusade fought by the Catholic Church against "Catharism" in the region of Languedoc.
- **1215** Magna Carta. Requires English monarch to recognize certain liberties of the people.
- 1241 Ögedei Khan dies. Mongol armies recalled from eastern edge of Europe.
- 1337—1453 Hundred Years War. Fought between kings of France and England for control of French throne. French forces emerge victorious. Civil conflict known as the War of Roses commences in England.
- 1347–1352 Bubonic Plague (the Black Death) sweeps through Europe. Kills between thirty and sixty percent of population.
- 1440's Johannes Gutenberg perfects his printing press in Mainz. Significantly lowers the cost of the printed word.
- 1453 Constantinople is sacked by Ottoman Emperor Mehmed II.
- 1486 Pico della Mirandola publishes the *Oration on the Dignity of Man*. Argues for the shifting of intellectual focus away from Heaven towards Man. The "Manifesto of the Renaissance". Pope declares his writings "partly heretical".
- 1492 Columbus "discovers" the Americas. Trip is financed by Ferdinand and Isabella of Spain (as well as Italian financiers).

- 1517 Luther posts 95 Theses on Church door in Wittenburg. Marks the beginning of the Reformation.
- 1532 Collision at Cajamarca between Incan Emperor Atahuallpa and the Spanish conquistador Francisco Pizarro. 80,000 Incans defeated by 168 Spanish soldiers.
- 1539 Edict of Villers Cotterêts issued by Francis I. Important step in the legal centralization of French state. French becomes official language of law. Marriage required to be registered with state by priest and registered by a notary.
- 1543 Copernicus publishes *De revolutionibus orbium coelestium*. Advances the heliocentric model of the universe.
- **1555** Peace of Augsburg. Within the Holy Roman Empire state religion is determined by the dictum *cuius regio*, *eius religio*.
- **1581** The Dutch Republic is founded.
- 1598 Edict of Nantes issued by Henri IV of France. Ends the Wars of Religion by separating civil from religious unity and recognizing rights of Protestants (Huguenots).
- 1610 Gallileo Gallileo publishes his observations of the phases of heavenly bodies *Sidereus Nuncius*. Eventually found 'gravely suspect of heresy' by Roman Inquisition and sentenced to indefinite house arrest in 1633.
- 1618–1648 Thirty Years' War. Begins as conflict between Catholics and Protestants in Holy Roman Empire. Finishes as a great powers conflict (Habsburg vs. Bourbon). Population drops between twenty-five and forty percent within German states.
- **1648–1653** The Fronde in France. Civil conflict between nobility and the crown. King wins. Assumes power as Louis XIV ('The Sun King') in 1661.
- 1649 Charles I of England beheaded. Monarch overthrown. Oliver Cromwell eventually becomes Lord Protector. Monarchy Restored in 1660. Cromwell's body exhumed and beheaded.
- **1651** Thomas Hobbes publishes *Leviathan*. Early example of social contract theory. Apologia for absolute monarchy.
- **1654** Otto von Guericke invents the first vacuum pump.
- 1685 Revocation of the Edict of Nantes by Louis XIV. Up to 40,000 Protestants leave France. Within a generation the Revocation is left largely unenforced by French authorities.
- **1687** Isaac Newton publishes the *Principia*. "Nature, and Nature's laws lay hid in night: God said, 'Let Newton Be!' and all was light." Alexander Pope
- 1688 Glorious Revolution. William III of Orange joins with Mary II of England to overthrow King James II of England. Monarchy becomes subsidiary to Parliament. Catholics denied the right to sit in Parliament for over a century.
- 1712 Newcomen steam engine invented. Works based on vacuum pressure. Pumps water out of coal mines thereby lowering the cost of energy necessary for Industrialization.

- 1756–1763 Seven Years War. Great powers conflict between Great Britain and Bourbons involving most of Europe. Most economically costly conflict for participating governments up to that time.
- 1776 Adam Smith publishes the Wealth of Nations. Core text of classical economics.
- 1789 French Revolution. French absolute monarchy is over-thrown. Louis XVI beheaded in 1793. Europe descends into war.
- 1790 Ratification of the U.S. Constitution. Rhode Island is last state to sign.
- **c.a. 1800** The Great Divergence in incomes begins, more or less, around this time. Income per capita of present-day rich countries increases by a factor of twelve between 1800 and 2000. Gap between richest and poorest countries rises to a factor of fifty.
- **1812** Napoleon invades Russia. Russians engage in scorched earth warfare. French lose 360,000 of 400,000 troops by 1813.
- 1832 Great Reform Act passed by British Parliament. Franchise extended to about one of every six adult males. Major redistricting to account for urban growth in wake of Industrial Revolution.
- 1848 Year of Revolutions in Europe. Over fifty countries experience significant social unrest. Demands for more participatory democracy among other issues. Reactionaries in control within a year.
- **1859** Darwin publishes the On the Origin of Species. Lays out principles and evidence for evolution.
- 1861 Italy is unified (more or less).
- **1861–1865** U.S. Civil War fought between the North and the South. Abraham Lincoln issues the Emancipation Proclamation on 1 January 1863.
- **1870-1871** Franco-Prussian war. Paris placed under siege by Prussia. France capitulates. Leftwing Parisian Commune repressed at cost of 20,000 lives. Third Republic declared.
- 1871 Germany is unified.
- 1914 1918 World War I. Global war. Seventeen million die. Colonial powers begin to break up. In 1917 Communist Revolution begins in Russia. Influenza pandemic kills between 50 and 130 million in the immediate aftermath of war.
- 1916 Einstein publishes the General Theory of Relativity. Speed of light is recognized as the speed limit of the universe.
- 1929 Crash of U.S. Stock Exchange. Beginning of the Great Depression. Deflationary spiral in 1931 exacerbates the situation.
- 1939-1945 World War II. Between 50 and 70 million die, including between 11 and 17 million jews, gypsies, criminals, and intellectuals in Axis concentration camps. Strategic bombing of civilian targets used by both sides. 100,000 burned to death by Allied bombing in Tokyo in two days. 90,000 to 166,000 killed in the atomic bombing of Hiroshima in 1945.
- 1954 Alan Turing commits suicide. Inventor of the Turing Machine; a model of a general purpose computer.

PLEASE NOTE: COURSE POLICIES

1. George Mason University Honor System and Code

Honor Code

George Mason University has an Honor Code, which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited.

All violations of the Honor Code will be reported to the Honor Committee.

Plagiarism (statements from Mason Web Site)

Plagiarism means using the exact words, opinions, or factual information from another person without giving that person credit.

http://mason.gmu.edu/montecin/plagiarism.htm#plagiarism

Please familiarize yourself with the Honor System and Code, as stated in the George Mason University Undergraduate Catalog. When you are given an assignment as an individual, the work must be your own. Some of your work may be collaborative; source material for group projects and work of individual group members must be carefully documented for individual contributions.

http://mason.gmu.edu/montecin/plagiarism.htm

2. Class Registration

Students are responsible for verifying the accuracy of their own schedules. Students need to check PatriotWeb regularly to verify that they are registered for the classes that they think they are. This is particularly important since students are no longer dropped for nonpayment. Faculty may not allow a student who is not registered to continue to attend class and may not grade the work of students who do not appear on the official class roster.

Deadlines each semester are published in the Schedule of Classes available from the Registrar's Web Site registrar.gmu.edu

After the last day to drop a class, withdrawing from this class requires the approval of the dean and is only allowed for nonacademic reasons. Undergraduate students may choose to exercise a selective withdrawal. See the Schedule of Classes for selective withdrawal procedures.

3. Accommodations for students with disabilities:

If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Resources at 703-993-2474. All academic accommodations must be arranged through that office.

The need for accommodations should be identified at the beginning of the semester and the specific accommodation has to be arranged through the Office of Disability Resources. Faculty cannot provide accommodations to students on their own (e.g. allowing a student extra time to complete an exam because the student reports having a disability).

Course Outline

I. Introduction and Course Themes

- (1) Chapter 1, "The Sixteen Page Economic History of the World" in Clark, G. (2007). Farewell to Alms. Princeton University Press, Princeton, New Jersey
- (2) Chapter 2, "A Natural Experiment of History" in Diamond, J. M. (1999). Guns, Germs, and Steel: The Fates of Human Societies. W.W. Norton & Co., 1 edition
- (3) Chapter 3, "Collision at Cajamarca" in Diamond, J. M. (1999). Guns, Germs, and Steel: The Fates of Human Societies. W.W. Norton & Co., 1 edition

II. Measurement and Causality

- (4) Pages 291 to 300 of Freedman, D. (1989). Statistical models and shoe leather. *Mathematical Social Sciences*, 18(2):192–192
- (5) Ravallion, M. (2001). The mystery of the vanishing benefits: An introduction to impact evaluation. World Bank Economic Review, 15:115–140
- (6) Appendix on "How to Read a Regression Table" in Meier, G. and Rauch, J. (2000). Leading issues in economic development. Oxford University Press

III. Ecological Origins of Economic Growth

- (7) Chapters 4, 5, 6, 7, 8, 9, and 10 in Diamond, J. M. (1999). Guns, Germs, and Steel: The Fates of Human Societies. W.W. Norton & Co., 1 edition
- (8) Ashraf, Q. and Galor, O. (2013). The "Out of Africa" hypothesis, human genetic diversity, and comparative economic development. *American Economic Review*, 103(1):1–46

IV. Equilibria and Shocks: The Malthusian World & The Little Divergence

- (9) Chapter 2, "The Logic of the Malthusian Economy" in Clark, G. (2007). Farewell to Alms. Princeton University Press, Princeton, New Jersey
- (10) Broadberry, S. (2015). Accounting for the Great Divergence
- (11) Jedwab, R., Johnson, N. D., and Koyama, M. L. (2015). Bones, bacteria and break points: The heterogeneous spatial effects of the Black Death and long-run growth
- (12) Nunn, N. and Qian, N. (2010). The Columbian Exchange: A history of disease, food, and ideas. Journal of Economic Perspectives, 24(2):163–188

V. Geography, Diversity, & Development

(13) Jha, S. (2013). Trade, institutions, and ethnic tolerance: Evidence from South Asia. American political Science review, 107(04):806–832

- (14) Chaney, E. (2013). Revolt on the Nile: Economic shocks, religion, and political power. *Econometrica*, 81(5):2033–2053
- (15) Johnson, N. D. and Koyama, M. L. (2016). Jewish communities and city growth in preindustrial europe

Midterm Exam

VI. Technology & Beliefs: The Printing Press & The Reformation

- (16) Dittmar, J. (2011). Information technology and economic change: The impact of the printing press. Quarterly Journal of Economics, 126:1133–1172
- (17) Becker, S. O. and Woessman, L. (2009). Was Weber wrong? a human capital theory of protestant economic history. *Quarterly Journal of Economics*, pages 531–596
- (18) Mokyr, J. (2005). The intellectual origins of modern growth. The Journal of Economic History, 65(2):285–351

VII. Political Economy

- (19) Johnson, N. D. and Koyama, M. (2014). Taxes, lawyers, and the decline of witch trials in France. Journal of Law & Economics
- (20) Hoff, K. and Pandey, P. (2014). Making up people—the effect of identity on performance in a modernizing society. *Journal of Development Economics*, 106:118–131
- (21) Johnson, N. D. (2014). Taxes, national identity, and nation building: Evidence from France
- (22) Pincus, S. C. and Robinson, J. A. (2011). What really happened during the glorious revolution? Working Paper 17206, National Bureau of Economic Research
- (23) Lamoreaux, N. R. (2011). The mystery of property rights: A U.S. perspective. *The Journal of Economic History*, 71:275–306

VIII. The Industrial Revolution

- (24) Meisenzahl, R. and Mokyr, J. (2011). The rate and direction of invention in the British industrial revolution: Incentives and institutions
- (25) Mokyr, J. and Voth, H.-J. (2010). Understanding growth in Europe, 1700–1870: Theory and evidence. In Broadberry, S. and O'Rourke, K. H., editors, *The Cambridge Economic History of Modern Europe*, volume 1, pages 7–42. Cambridge University Press

IX. Colonialism

(26) Acemoglu, D., Johnson, S., and Robinson, J. A. (2001). The colonial origins of comparative development: An empirical investigation. *The American Economic Review*, 91(5):1369–1401

(27) Sokoloff, K. L. and Engerman, S. L. (2000). History lessons: Institutions, factor endowments, and paths of development in the new world. *Journal of Economic Perspectives*, 14(3):217–32

X. Cities

(28) Davis, D. and Weinstein, D. (2002). Bones, bombs, and break points: The geography of economic activity. *American Economic Review*, 92(5):1269–1289

XI. The Great Depression

- (29) Romer, C. D. (1993). The nation in depression. The Journal of Economic Perspectives, 7(2):19–39
- (30) Romer, C. D. (1992). What ended the great depression. *The Journal of Economic History*, 52(4):757–784

Comprehensive Final Exam on Thursday 5/5 from 7:30 pm to 10:15 pm

References

- Acemoglu, D., Johnson, S., and Robinson, J. A. (2001). The colonial origins of comparative development: An empirical investigation. *The American Economic Review*, 91(5):1369–1401.
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