

# Topics in Economic History

ECON 365 – Spring 2017

Thursday, 7:20pm–10:00pm || Planetary Hall 126

Instructor: Kyle O'Donnell

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Office Hours: By appointment

## Course Description

This course explores history through the lens of economic theory, with a particular focus on institutions as a central object of concern for understanding economic history. We will therefore invest our time and attention in the beginning on developing our conceptual toolkit and analytical framework to help us understand and explain institutional development and change in terms of the logic of human action. Although economic *theory* is the necessary foundation of our inquiry, our primary mode throughout the course will be *applied* economic analysis of historical questions, puzzles, and issues.

## Course Structure & Requirements

The course will be run largely as lecture format, although I hope to engender a seminar-like environment of open and informal, yet serious and thoughtful, discussion in which the class's interests, ideas, and perspectives are brought to the fore. Whatever the format, the basic requirement is to have read and thought about the material before class, and to be prepared to discuss it (writing down questions and critical thoughts about the readings is highly encouraged).

*Abandon hope all ye who loathe reading!* If it is not already obvious, this is a reading-intensive course that will require you to invest a number of hours each week to critical, thoughtful reading. The assigned readings are diverse and often challenging on different levels, from language and style, to concepts and theory. Serious reading is necessary in this course. *Ye have been warned.*

Lastly, it bears noting upfront that you are allowed to have your own perspective and opinions about the material and content of this course: readings, discussions, my lectures. In fact, I strongly encourage you to grasp your own perspective firmly in your mind and to let it drive you through the course. The point is not to pick an opinion or viewpoint and stick with it, but to recognize the nature and influence of your own opinions on your thinking, reading, and arguments. Having a strong viewpoint or perspective can be a valuable tool—it can motivate learning and engaging with ideas, foster critical thinking and intellectual expression—but to be most effective (and avoid potential pitfalls) it's important to recognize your own viewpoint and be self-aware of its strengths and especially its limitations.

## Requirements & Grading

Your grade in this course is based on the following factors:

- |                                 |    |
|---------------------------------|----|
| • Participation & Presentation  | 10 |
| • Journal article assignment    | 10 |
| • Reading responses (6 * 5 pts) | 30 |
| • Research construction project | 50 |
| ○ Thesis                        | 10 |
| ○ Annotated bib.                | 15 |
| ○ Analytical outline            | 25 |

Total = 100

**Participation & Presentation:** Regular attendance and participation are extremely important for success in this course. This course will work best and benefit us the most if we coordinate to an equilibrium where the norm is active participation, thoughtful preparation, and serious but lively discussion driven by your own curiosity and interests.

**Paper Presentation:** Every student is required to present one of the assigned readings in class on the day which it is assigned. Students may choose which reading to present; one student only per paper. (Students must sign up for a particular paper with me beforehand.) Presentations are expected to be concise and clear, about 5 minutes long, thoughtful and analytical though informal. They should give a clear summary of the main question, problem, or puzzle addressed by the paper, the answer or argument given, and the student's own critical response to the reading. The latter could be a critique of the paper's assumptions, arguments, and/or evidence, an extension to other subjects, or an analytical synthesis/connection with other ideas.

**Reading Responses:** Short, typed response to the week's assigned reading—that is, the response is to *all the readings assigned for that week*; if there are three essays, the response is to all three. You may choose which weeks to write reading responses. You are required to submit 6 responses (meaning 6 weeks of readings). Responses must be submitted in **hard-copy** at the beginning of class when the readings are assigned, as well as submitted to Blackboard under the Assignments tab for the appropriate week. Late responses will not be accepted.

Format: hard-copy; 1–2 pages, ~500–650 words; 1.5 spacing; 11-point **serif** font; 1 inch margins.

Responses will be graded according to the following rubric (each element worth one point):

- a) *Identify the question or problem:* What is the main question, problem, puzzle, or issue posed and addressed by the paper? Be sure to capture the economic concepts, factors, and theories.
- b) *Summary of proposed answer:* What answer or explanation (or proffered opinion) does the author(s) give? Evidence/empirics? Be sure to capture the economic reasoning and/or concepts used.
- c) *Evaluation and/or critical analysis:* Evaluate the author's argument, position, answer or explanation. Does it make sense? How does it use empirics, are they convincing?
- d) *Alternative positions/explanations:* What are alternative explanations or positions on this question, problem, or subject? (Whether explicitly mentioned or your own ideas.)
- e) *Writing:* Spelling, grammar, readability, style, composition.

**Note:** As a bonus, you may revise and resubmit up to two responses to replace the original grade on those responses. Restrictions: Revised responses must be submitted no later than the second class after the graded response was returned, and none will be accepted after the last class of the semester (this is not the day of the final exam).

**Journal Article Assignment:** This assignment is similar to the reading responses but instead focuses on just one (or two if appropriate) reading and delves more deeply into that area by examining the related academic literature. You will choose a reading and then look at the related academic literature in order to find an academic journal article that: responds to the original reading, is on the same question or problem, or is otherwise directly and closely relevant to the assigned reading. You will then write a short essay (750-1000 words) that summarizes the two papers and critically discusses them in comparison to each other. The goal is to examine how scholars bring competing views to bear upon a question, argue for their own perspective, and challenge or use the ideas of others. Further, this should require you to critically analyze the authors' assumptions, theories, and conclusions, as well as to offer your own ideas and views where they would be valuable.

This assignment must be submitted by **Thursday, May 4<sup>th</sup>** at the latest. However, if you submit this assignment by Thursday, April 13<sup>th</sup>, after receiving the graded paper, you may revise it and resubmit it by the final deadline on May 4<sup>th</sup>.

**Research Paper Construction Project:** The major requirement of the course (worth 50% of your final grade) is a research paper "construction project" which is designed to help you build and strengthen your writing skills, analytical abilities, and research skills. We will discuss this project in greater detail shortly into the semester. Before then, here is a brief overview and important dates.

The project consists of three sub-components or “stages,” each of which has its own due dates and revision periods:

- |   |  |
|---|--|
| (a) Thesis proposal and development (10%) | Proposals due <u>Feb. 23</u> , Rev. due <u>March 9</u>   |
| (b) Annotated bibliography (15%)          | Due <u>March 30</u>                                      |
| (c) Analytical outline (25%)              | Draft due <u>April 20</u> , Rev. Final due <u>May 11</u> |

**Final exam:** The final exam period for this class is scheduled for Thursday, May 11<sup>th</sup>. There will not be a final exam. The final revised research paper outline is due by the date/time of the final. Finally, you should keep this time open as there may be an alternative plan for this time slot.

### **Other Class Policies**

All students must adhere to standard rules of courtesy and to the following rules:

- (1) No electronics of any kind may be used during class. This includes laptops, cell phones, headphones, etc.
- (2) Don't carry on side-conversations, or otherwise distract or disrupt other students.
- (3) Come to class prepared. Make sure to have completed any assigned reading.
- (4) Pay attention in class. Don't read something else during class, work on an assignment for another class, sleep, etc. Basically, you shouldn't be doing anything that you could do outside of class. If following this rule is too difficult, you are free (and encouraged) to excuse yourself from the class. No penalties are given if you get up and leave class. Therefore, there is no reason to ever violate this rule.

### **Inclement Weather & Class Cancellations**

Classes will be held unless cancelled by the GMU administration for bad weather or other unforeseen exigencies. If I am unable to make it to class, you should receive an email and someone will post a note on the classroom door.

### **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

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>

### **Accommodations**

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.

## Course Schedule & Outline

Since this is a course on “*topics* in economic history” and not, say, the “economic history of X,” it seems reasonable to follow an outline based around concepts and analytical frameworks, with readings following from these thematic-conceptual nodes. This is to say, the course organization is *not chronological* but conceptual. Economic theory is widely applicable across time and place to any situation involving human action and social cooperation—i.e. to all of human history. We will be moving back and forth across history, guided by the economic way of thinking. This will, I hope, help us to avoid falling into fallacious *historicist* modes of thinking...

### 1. “Why (of) economic history?”

T. S. Ashton. 1954. “The Treatment of Capitalism by Historians”

### 2. Institutions

Hayek, F. A. (1945). The Use of Knowledge in Society. *The American Economic Review*, 35(4), 519-530.

North, Douglass C. (1991). Institutions. *The Journal of Economic Perspectives*, 5(1), 97-112.

Williamson, Oliver E. (2000). The New Institutional Economics: Taking Stock, Looking Ahead. *Journal of Economic Literature*, 38(3), 595-613.

### 3. Property Rights

Demsetz, H. (1967). Toward a Theory of Property Rights. *The American Economic Review*, 57(2), 347-359.

Anderson, T., & Hill, P. (1975). The Evolution of Property Rights: A Study of the American West. *The Journal of Law & Economics*, 18(1), 163-179.

Alchian, Armen A., and Harold Demsetz. 1973. “The Property Right Paradigm.” *The Journal of Economic History* 33(1): 16-27.

### 4. Evolution of Exchange Institutions: Money, Contracts, Credit

Menger, Carl. (1892). “On the Origin of Money.” *The Economic Journal*, 2(6), 239-255.

Greif, A. (1989). Reputation and Coalitions in Medieval Trade: Evidence on the Maghribi Traders. *The Journal of Economic History*, 49(4), 857-882.

Stringham, Edward. (2002). “The Emergence of the London Stock Exchange as a Self-Policing Club.” *The Journal of Private Enterprise* 17(2), 1-19.

### 5. Law

Friedman, D. (1995). Making sense of English law enforcement in the eighteenth century. *The University of Chicago Law School Roundtable*, 475, 475–505.

Glaeser, E., & Shleifer, A. (2002). Legal Origins. *The Quarterly Journal of Economics*, 117(4), 1193-1229.

Stringham, Edward, & Zywicki, Todd. (2011). “Rivalry and superior dispatch: An analysis of competing courts in medieval and early modern England.” *Public Choice*, 147(3/4), 497-524.

### 6. Government & the State

Bean, Richard. 1973. “War and the Birth of the Nation State.” *The Journal of Economic History* 33(1): 203-21.

Lane, Frederic C. 1958. “Economic Consequences of Organized Violence.” *The Journal of Economic History* 18(4): 401-17.

- North, Douglass C. And Weingast, Barry R. (1989) "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England," *Journal of Economic History*. Vol. 49, Iss. 4.
- Weingast, Barry R. (1995). "The Economic Role of Political Institutions: Market-Preserving Federalism and Economic Development." *Journal of Law, Economics, & Organization*, 11(1), 1-31.
- 7. Stateless Order: Private Law & Governance**
- Anderson, Terry Lee, and Peter Jensen Hill. (1978) "An American experiment in anarcho-capitalism: the not so wild, wild west." *Journal of Libertarian Studies*.
- Benson, Bruce. L. (1989). The spontaneous evolution of commercial law. *Southern Economic Journal*, 55(3), 644–661.
- Davies, S. (2002). The private provision of police during the eighteenth and nineteenth centuries. In D. Beito, P. Gordon, & A. Tabarrok (Eds.), *The voluntary city* (pp. 151–181). Michigan: University of Michigan Press.
- Friedman, David. (1979). Private creation and enforcement of law: a historical case. *The Journal of Legal Studies*, 8(2), 399–415.
- 8. Beliefs, Culture, and Ideas Matter**
- Boettke, Peter J., Christopher J. Coyne, and Peter T. Leeson. 2008. "Institutional Stickiness and the New Development Economics." *American Journal of Economics and Sociology* 67(2): 331–358.
- Diamond, S. (1967). Values as an Obstacle to Economic Growth: The American Colonies. *The Journal of Economic History*, 27(4), 561-575.
- Greif, A. (1994). Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies. *Journal of Political Economy*, 102(5), 912-950.
- Leeson, Peter T. (2012). Ordeals. *The Journal of Law & Economics*, 55(3), 691-714.
- 9. Religion in Economic History**
- Ekelund, Jr., R., Hébert, R., & Tollison, R. 2002. "An economic analysis of the Protestant Reformation." *Journal of Political Economy* 110(3): 646-671.
- Kuran, Timur. (2004). "Why the Middle East is Historically Underdeveloped: Historical Mechanisms of Institutional Stagnation." *Journal of Economic Perspectives* 18(3): 71–90.
- Kuran, Timur. 2005. "The Absence of the Corporation in Islamic Law: Origins and Persistence," *American Journal of Comparative Law*, 53, 785–834.
- Rubin, Jared. (2009). Social Insurance, Commitment, and the Origin of Law: Interest Bans in Early Christianity. *The Journal of Law & Economics*, 52(4), 761-786.
- 10. Perspectives on Modern Economic Growth: The Enlightenment, Bourgeois Dignity, and/or Institutions**
- Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2005. "Institutions as a Fundamental Cause of Long-Run Growth." *Handbook of Economic Growth* 1A: 386-472.
- McCloskey, Deirdre N. (2009) *Bourgeois Dignity: Why Economics Can't Explain the Modern World*. (draft chapters 1-3)
- Mokyr, Joel. 2005. "The Intellectual Origins of Modern Growth." *The Journal of Economic History* 65(2): 285-351.

**11. Women in Economic History**

Goldin, Claudia. 2006. "The Quiet Revolution That Transformed Women's Employment, Education, and Family." *The American Economic Review* 96(2): 1-21.

Leeson, Peter T., Peter J. Boettke, and Jayme S. Lemke. 2014. "Wife sales." *Review of Behavioral Economics* 1(4): 349-379.

Lemke, Jayme S. 2016. "Interjurisdictional competition and the Married Women's Property Acts." *Public Choice* 166(3/4): 291-313.

**12. The Progressive Era and the Origins of the Administrative State**

Leonard, Thomas C. (2005) "Protecting Family and Race: The Progressive Case for Regulating Women's Work." *American Journal of Economics and Sociology* 64(3): 757-791.

Leonard, Thomas C. (2015) "Progressive Era Origins of the Regulatory State and the Economist as Expert." *History of Political Economy* 47: 49-76.

Glaeser, E., & Shleifer, A. (2003). The Rise of the Regulatory State. *Journal of Economic Literature*, 41(2), 401-425.

**13. The Bloody Road to Utopia: Economic History of Soviet Socialism**

Anderson, Gary M., and Peter J. Boettke. 1997. "Soviet Venality: A Rent-Seeking Model of the Communist State." *Public Choice* 93(1/2): 37-53.

Katz, Barbara G. 1975. "Purges and Production: Soviet Economic Growth, 1928-1940." *The Journal of Economic History* 35(3): 567-90.

Lazarev, Valery, and Paul R. Gregory. 2002. "The Wheels of a Command Economy: Allocating Soviet Vehicles." *The Economic History Review* 55(2): 324-48.

Roberts, Paul Craig. 1969. "The Polycentric Soviet Economy." *The Journal of Law & Economics* 12(1): 163-79.

**14. TBD**