



LUDWIG-
MAXIMILIANS-
UNIVERSITÄT
MÜNCHEN



Advanced Economic History

Ludwig-Maximilians-Universität München
Winter term 2015/2016

Instructor

Davide Cantoni; email: cantoni@lmu.de.

Office hours: Friday, 11:00. Other good chances to talk: after classes and by appointment.

Meeting times and locations

Meeting times: Thursdays, 8:30–11:45 (s.t., with a break), and Fridays, 16:00–18:00 (s.t.).
Room: Ludwigstr. 33, Room 442 (Library of the *Seminar für Wirtschaftsgeschichte*). .

Attendance of all classes is required. Classes will be held as a mixture of lectures and seminar-style student presentations and discussions (see below for the exact schedule).

Format

MSc lecture plus seminar. 12 ECTS points. Exam type: presentation and take-home/research paper (*Hausarbeit*). Students under the old examination rules (*Prüfungsordnung 2010*) will also have to write a final exam.

Limited enrollment: 10 slots (for MSc students). Registering for the seminar through the ISC is compulsory.

PhD students wishing to attend the class for credit should contact the instructor in advance.

Course Overview

This course aims to explain the very long run trends in economic history. The two main questions that underlie the classes will be: (1) why are our societies so much more productive/rich than our ancestors' ones? and (2) why are there such large differences in income levels across societies today? To investigate these questions, we will look for the explanatory power of various factors, such as geography, technology, institutions, and culture, trying to isolate fundamental determinants from proximate ones. As put by North and Thomas in 1973: "The factors we have listed (innovation, economies of scale, education, capital accumulation etc.) are not causes of growth; they *are* growth"—instead, *causes* of growth will be the focus of this class.

As such, this class is highly complementary to any courses or readings you might do in economic growth, economic development, or political economy. Moreover, the focus of this class

will be on reading and discussing research papers with a strongly empirical focus; it will thus be complementary to the (micro)econometrics classes in the program and should be viewed as good preparation to one's own writing of applied research papers.

Course Requirements

The prerequisites for the course are some basic macroeconomics and econometrics, which I trust you to have from the other courses in the Master's program/the MGSE. If you feel uncomfortable with your knowledge in growth theory, I would suggest that you have a read of the textbooks by Chad Jones (*Introduction to Economic Growth*), Philippe Aghion and Peter Howitt (*The Economics of Growth*), or Daron Acemoglu (*Introduction to Modern Economic Growth*). If you feel uncomfortable with your econometric knowledge, you should consult Joshua Angrist's and Jörn-Steffen Pischke's *Mostly Harmless Econometrics*.

Attendance of lectures is mandatory.

As for the final grade, it will be composed of two parts:

- Research paper (50%): This will be a short *Hausarbeit* (approx. 45 000 characters). Details TBA.
- Paper presentation (50%). You will have to do a short presentation (30 minutes is what the law says) of a paper (list of papers attached). These papers will be recent working papers, mostly unpublished, that relate to the topics presented in the lectures. You will be also responsible to act as "discussion leader" for that session, meaning that after the presentation you will lead the discussion and make sure that a lively debate ensues. Everyone is supposed have thoroughly read these papers before the discussion class, and to contribute to the discussion.

Synoptic Syllabus

The exact schedule will be announced later. I expect there to be 7 Thursday sessions (lecture-style, 3 hours), and enough sessions on Thursdays and Fridays to allow every student to comply to the paper presentation requirement.

Week 1	Thu	Oct 15	Lecture
	Fri	Oct 16	No class
Week 2	Thu	Oct 22	Lecture
	Fri	Oct 23	No class
Week 3	Thu	Oct 29	Lecture
	Fri	Oct 30	No class
Week 4	Thu	Nov 6	No class
	Fri	Nov 7	No class
Week 5	Thu	Nov 12	No class
	Fri	Nov 13	No class

Week 6	Thu Fri	Nov 19 Nov 20	No class (Munich lectures) No class
Week 7	Thu Fri	Nov 26 Nov 27	Lecture Student presentations
Week 8	Thu Fri	Dec 3 Dec 4	Student presentations No class
Week 9	Thu Fri	Dec 10 Dec 11	Lecture No class
Week 10	Thu Fri	Dec 17 Dec 18	Lecture No class
Week 11	Thu Fri	Jan 7 Jan 8	Lecture No class
Week 12	Thu Fri	Jan 14 Jan 15	Student presentations Student presentations
Week 13	Thu Fri	Jan 21 Jan 22	Student presentations No class
Week 14	Thu Fri	Jan 28 Jan 29	Student presentations Student presentations
Week 15	Thu Fri	Feb 4 Feb 5	Student presentations No class (make-up slot)

Long Syllabus (Tentative)

Thu Oct 15: Introduction, The Very Long Run (Geographic determinants)

- (*) Allen, R. C. (2001). The Great Divergence in European Wages and Prices from the Middle Ages to the First World War. *Explorations in Economic History*, 38:411–447
- (*) Allen, R. C., Murphy, T. E., and Schneider, E. B. (2012). The Colonial Origins of the Divergence in the Americas: A Labour Market Approach. *Journal of Economic History*, 72(4):863–894
- (*) Allen, R. C., Bassino, J.-P., Ma, D., Moll-Murata, C., and van Zanden, J. L. (2011). Wages, Prices, and Living Standards in China, 1738-1925: In Comparison with Europe, Japan, and India. *Economic History Review*, 64(S1):8–38. Unpublished
- (*) Bleakley, H. and Lin, J. (2012). Portage and path dependence. *Quarterly Journal of Economics*, 127(2):587–644
- David, P. A. (1985). Clio and the economics of qwerty. *American Economic Review*, 75(2):332–337

- Liebowitz, S. J. and Margolis, S. E. (1990). The fable of the keys. *Journal of Law and Economics*, 33(1):1–25
- Davis, D. R. and Weinstein, D. E. (2002). Bones, bombs, and break points: The geography of economic activity. *American Economic Review*, 92(5):1269–1289
- Redding, S. J., Sturm, D. M., and Wolf, N. (2011). History and Industry Location: Evidence from German Airports. *Review of Economics and Statistics*, 93(3):814–831
- Comin, D. A., Easterly, W., and Gong, E. (2010). Was the wealth of nations determined in 1000 b.c.? *American Economic Journal: Macroeconomics*, 2(3):65–97
- Maddison, A. (2003). *The World Economy: Historical Statistics*. OECD, Paris
- (*) Diamond, J. (1997). *Guns, Germs, and Steel: The Fates of Human Societies*. W.W. Norton, New York
- Crosby, A. W. (2004). *Ecological Imperialism: The Biological Expansion of Europe, 900–1900*. Cambridge University Press, Cambridge, New York, 2nd edition
- Morris, I. (2010). *Why the West Rules—for Now: The Patterns of History, and What They Reveal About the Future*. Farrar, Straus and Giroux, New York

Fri Oct 16: No class.

Thu Oct 22: Malthusianism, Exit from Malthusianism

- (*) Clark, G. (2007). *A Farewell to Alms; A Brief Economic History of the World*. Princeton University Press, Princeton, N.J, Part 1
- (*) Clark, G. (2005). The condition of the working class in England 1209–2004. *Journal of Political Economy*, 113(6):1307–1340
- (*) Ashraf, Q. and Galor, O. (2011). Dynamics and stagnation in the malthusian epoch. *American Economic Review*, 101(5):2003–2041
- Hatcher, J. and Bailey, M. (2001). *Modelling the Middle Ages*. Oxford University Press, Oxford
- Hajnal, J. (1965). European marriage patterns in perspective. In Glass, D. and Eversley, D., editors, *Population in History: Essays in Historical Demography*, chapter 6, pages 101–143. Arnold, London
- Lee, R. D. (1993). Population dynamics: Equilibrium, disequilibrium, and consequences of fluctuations. In Rosenzweig, M. R. and Stark, O., editors, *Handbook of Population and Family Economics*, volume 1B, chapter 19, pages 1063–1115. Elsevier, Amsterdam
- (*) Kremer, M. (1993). Population growth and technological change: One million b.c. to 1990. *Quarterly Journal of Economics*, 108(3):681–716
- (*) Hansen, G. D. and Prescott, E. C. (2002). Malthus to Solow. *American Economic Review*, 92(4):1205–1217

- Galor, O. and Weil, D. N. (2000). Population, technology, and growth: From malthusian stagnation to the demographic transition and beyond. *American Economic Review*, 90(4):806–828
- Galor, O. (2005). From stagnation to growth: Unified growth theory. In Aghion, P. and Durlauf, S. N., editors, *Handbook of Economic Growth*, volume 1A, chapter 4, pages 171–293. Elsevier, Amsterdam
- Mokyr, J. and Voth, H.-J. (2007). Understanding growth in europe, 1700-1870: Theory and evidence. Northwestern and Universitat Pompeu Fabra
- (*) Clark, G. (2007). *A Farewell to Alms; A Brief Economic History of the World*. Princeton University Press, Princeton, N.J, Part 2
- (*) Clark, G. and Hamilton, G. (2006). Survival of the richest: The malthusian mechanism in pre-industrial england. *Journal of Economic History*, 66(3)
- Galor, O. and Moav, O. (2002). Natural selection and the origin of economic growth. *Quarterly Journal of Economics*, 117(4):1133–1191
- A’Hearn, B., Baten, J., and Crayen, D. (2009). Quantifying quantitative literacy: Age heaping and the history of human capital. *Journal of Economic History*, 69(3):783–808
- McCloskey, D. N. (2010). *Bourgeois Dignity: Why Economics Can’t Explain the Modern World*. University of Chicago Press, Chicago
- Voth, H.-J. (1998). Time and work in eighteenth-century london. *Journal of Economic History*, 58(1):29–58

Fri Oct 23: No class.

Thu Oct 29: Malthusianism, Exit from Malthusianism

(continued; literature see above)

Thu Nov 6: No class.

Fri Nov 7: No class.

Thu Nov 12: No class.

Fri Nov 13: No class.

Thu Nov 19: No class.

Fri Nov 20: No class.

Thu Nov 26: Institutions (I)

- (*) North, D. C. and Thomas, R. P. (1970). An Economic Theory of the Growth of the Western World. *Economic History Review*, 23(1):1–17

- (*) North, D. C. and Weingast, B. W. (1989). Constitutions and commitment: The evolution of institutions governing public choice in seventeenth-century England. *Journal of Economic History*, 49(4):803–32
- (*) De Long, J. B. and Shleifer, A. (1993). Princes and Merchants: European City Growth before the Industrial Revolution. *Journal of Law and Economics*, 36(2):671–702
- (*) Greif, A. (1993). Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders' Coalition. *American Economic Review*, 83(3):525–548
- (*) Cantoni, D. and Yuchtman, N. (2014). Medieval Universities, Legal Institutions, and the Commercial Revolution. *Quarterly Journal of Economics*, 129(2):823–887
- North, D. C. and Thomas, R. P. (1973). *The Rise of the Western World: A New Economic History*. Cambridge University Press, Cambridge, New York
- Greif, A. (1989). Reputation and coalitions in medieval trade: Evidence on the maghribi traders. *Journal of Economic History*, 49(4):857–882
- Greif, A. (1992). Institutions and international trade: Lessons from the commercial revolution. *American Economic Review*, 82(2):128–133
- Greif, A., Milgrom, P., and Weingast, B. W. (1994). Coordination, Commitment, and Enforcement: The Case of the Merchant Guild. *Journal of Political Economy*, 102(4):745–766

Fri Nov 27: Student Presentation

- □ Voigtländer, N. and Voth, H.-J. (2013). How the west 'invented' fertility restriction. *American Economic Review*, 103(6):2227–64

Thu Dec 3: Student Presentations

- □ Chaney, E. and Hornbeck, R. (2014). Economic Growth in the Malthusian Era: Evidence from the 1609 Spanish Expulsion of the Moriscos. Unpublished, Harvard University
- □ 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
- □ Galor, O. and Klemp, M. (2014). The Biocultural Origins of Human Capital Formation. Unpublished, Brown University

Fri Dec 4: No class.

Thu Dec 10: European and Colonial Institutions

- (*) Acemoglu, D., Johnson, S., and Robinson, J. (2005a). The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth. *American Economic Review*, 95(3):547–579

- (*) Engerman, S. L. and Sokoloff, K. L. (1997). Factor Endowments, Institutions, and Differential Paths of Growth Among New World Economies: A View from Economic Historians of the United States. In Haber, S., editor, *How Latin America Fell Behind*. Stanford University Press, Palo Alto, Calif
- (*) Acemoglu, D., Johnson, S., and Robinson, J. A. (2002). Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution. *Quarterly Journal of Economics*, 117(4):1231–1294
- (*) Acemoglu, D., Johnson, S., and Robinson, J. A. (2001). The Colonial Origins of Comparative Development: An Empirical Investigation. *American Economic Review*, 91(5):1369–1401
- (*) La Porta, R., Lopez-de-Silanes, F., and Shleifer, A. (2008). The economic consequences of legal origins. *Journal of Economic Literature*, 46(2):285–332
- (*) Glaeser, E. L., La Porta, R., Lopez-de Silanes, F., and Shleifer, A. (2004). Do institutions cause growth? *Journal of Economic Growth*, 9:271–303
- (*) Bubb, R. (2009). States, law, and property rights in west africa. Unpublished, NYU Law School
- Acemoglu, D., Johnson, S., and Robinson, J. A. (2005b). Institutions as a fundamental cause of long-run growth. In Aghion, P. and Durlauf, S. N., editors, *Handbook of Economic Growth*, volume 1, chapter 6, pages 385–472. Elsevier, Amsterdam
- Nunn, N. (2008). Slavery, inequality, and economic development in the americas: An examination of the engerman-sokoloff hypothesis. In Helpman, E., editor, *Institutions and Economic Performance*, pages 148–180. Harvard University Press, Cambridge, Mass

Fri Dec 11: No class.

Thu Dec 17: Religion, Culture (I)

- (*) Becker, S. O. and Wößmann, L. (2009). Was Weber Wrong? A Human Capital Theory of Protestant Economic History. *Quarterly Journal of Economics*, 124(2):531–596
- (*) Cantoni, D. (2014). The Economic Effects of the Protestant Reformation: Testing the Weber Hypothesis in the German Lands. Forthcoming, Journal of the European Economic Association
- Becker, S. O., Hornung, E., and Wößmann, L. (2011). Education and catch-up in the industrial revolution. *American Economic Journal: Macroeconomics*, 3(3):92–126
- Delacroix, J. and Nielsen, F. (2001). The beloved myth: Protestantism and the rise of industrial capitalism in nineteenth-century europe. *Social Forces*, 80(2):509–553
- Sandberg, L. G. (1979). The case of the impoverished sophisticate: Human capital and swedish economic growth before world war i. *Journal of Economic History*, 39(1):225–241

Fri Dec 18: No class.

Thu Jan 7: Culture (II)

- (*) Henrich, J., Boyd, R., Bowles, S., Camerer, C., Fehr, E., Gintis, H., and McElreath, R. (2001). In search of homo economicus: Behavioral experiments in 15 small-scale societies. *American Economic Review*, 91(2):73–77
- (*) Guiso, L., Sapienza, P., and Zingales, L. (2011). Civic Capital as the Missing Link. In Jess Benhabib, A. B. and Jackson, M., editors, *Handbook of Social Economics*, volume 1, pages 417–480. Elsevier, Amsterdam
- (*) Guiso, L., Sapienza, P., and Zingales, L. (2008). Long term persistence. Unpublished
- (*) Tabellini, G. (2010). Culture and Institutions: Economic Development in the Regions of Europe. *Journal of the European Economic Association*, 8(4):677–716
- (*) Fernández, R. and Fogli, A. (2009). Culture: An empirical investigation of beliefs, work, and fertility. *American Economic Journal: Macroeconomics*, 1(1):146–177
- Algan, Y. and Cahuc, P. (2010). Inherited trust and growth. *American Economic Review*, 100(5):2060–92
- Guiso, L., Sapienza, P., and Zingales, L. (2004). The Role of Social Capital in Financial Development. *American Economic Review*, 94(3):526–556
- Guiso, L., Sapienza, P., and Zingales, L. (2006). Does culture affect economic outcomes? *Journal of Economic Perspectives*, 20(2):23–48

Fri Jan 8: No class.

Thu Jan 14: Student Presentations

- □ Easterly, W. and Levine, R. (2015). The European Origins of Economic Development. Unpublished, NYU and UC Berkeley
- □ Gennaioli, N., La Porta, R., Lopez-de-Silanes, F., and Shleifer, A. (2013). Human Capital and Regional Development. *Quarterly Journal of Economics*, 128(1):105–164
- □ Maloney, W. F. and Valencia Caicedo, F. (2012). The persistence of (subnational) fortune: Geography, agglomeration, and institutions in the new world. *World Bank Policy Research Working Papers*, 6187

Fri Jan 15: Student Presentation

- □ Joram Mayshar, Omer Moav, Z. N. and Pascali, L. (2015). Cereals, Appropriability, and Hierarchy. *CEPR Discussion Paper Series*, 10742

Thu Jan 21: Student Presentations

- □ Michalopoulos, S. and Papaioannou, E. (2013). Pre-colonial Ethnic Institutions and Contemporary African Development. *Econometrica*, 81(1):113–152
- □ Nunn, N. and Wantchekon, L. (2011). The Slave Trade and the Origins of Mistrust in Africa. *American Economic Review*, 101(7):3221–3252
- □ Fenske, J. and Kala, N. (2014). 1807: Economic shocks, conflict and the slave trade. Unpublished, Oxford University

Fri Jan 22: No class.

Thu Jan 28: Student Presentations

- □ Squicciarini, M. P. and Voigtländer, N. (2015). Human Capital and Industrialization: Evidence from the Age of Enlightenment. Forthcoming, *Quarterly Journal of Economics*
- □ Grosjean, P. (2014). A History of Violence: The Culture of Honor and Homicide in the US South. *Journal of the European Economic Association*, 12(5):1127–1422
- □ Butler, J., Giuliano, P., and Guiso, L. (2014). The Right Amount of Trust. Forthcoming, *Journal of the European Economic Association*

Fri Jan 29: Student Presentation

- □ Valencia Caicedo, F. (2014). *The Mission: Human Capital Transmission, Economic Persistence and Culture in South America*. Unpublished, Universitat Pompeu Fabra

Thu Feb 4: Student Presentations

- □ Michalopoulos, S., Naghavi, A., and Prarolo, G. (2015). Islam, Inequality and Pre-Industrial Comparative Development. *NBER Working Paper Series*, 21506
- □ Chaney, E. (2013). Revolt on the Nile: Economic Shocks, Religion, and Political Power. *Econometrica*, 81(5):2033–2053

Fri Feb 5: No class (make-up slot).