



## **Advanced Economic History**

Ludwig-Maximilians-Universität München  
Winter term 2017/18

### **Instructor**

Davide Cantoni; email: [cantoni@lmu.de](mailto: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, 9:00–12:00 (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 research paper (*Hausarbeit*).

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 (applied) 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). The paper should, at a minimum, delineate a research topic by providing a concise overview of the literature in that field and work out a novel idea which would contribute to that field. Some independent data work is expected. A major element will be finding a suitable topic, which needs to be discussed beforehand with the instructor—you should definitely be in touch with me about your ideas during the course of the term.
- 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.

PhD students also have the option of attending this class as a reading course (substitution of CES Lecture). In this case, they do not have to write a research paper, however there is still the requirement to attend lectures and present one paper.

## Synoptic Syllabus

The exact schedule will be announced and updated as the term progresses. I expect there to be six or seven Thursday sessions (lecture-style, 3 hours), and enough sessions on Thursdays and Fridays to allow every student to comply to the paper presentation requirement.

Note that the number of meetings for student presentations is flexible, depending on the number of students (MSc + PhD) enrolled for the course. Legend: "—", definitely no meeting. "tbc", to be confirmed. "tba", to be announced. A blank space stands for make-up slots for additional meetings (depending on the number of student presentations).

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<b>Week 1</b>	Thu	Oct 19	Lecture 1
	Fri	Oct 20	—

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<b>Week 2</b>	Thu Fri	Oct 26 Oct 27	Lecture 2 —
<b>Week 3</b>	Thu Fri	Nov 2 Nov 3	Lecture 3 —
<b>Week 4</b>	Thu Fri	Nov 9 Nov 10	Lecture 4 —
<b>Week 5</b>	Thu Fri	Nov 16 Nov 17	— Student presentations (tbc)
<b>Week 6</b>	Thu Fri	Nov 23 Nov 24	Lecture 5 —
<b>Week 7</b>	Thu Fri	Nov 30 Dec 1	Lecture 6 Student presentations (tbc)
<b>Week 8</b>	Thu Fri	Dec 7 Dec 8	— —
<b>Week 9</b>	Thu Fri	Dec 14 Dec 15	Lecture 7 or student presentations (tba) —
<b>Week 10</b>	Thu Fri	Dec 21 Dec 22	— —
<b>Week 11</b>	Thu Fri	Jan 11 Jan 12	Student presentations (tbc) —
<b>Week 12</b>	Thu Fri	Jan 18 Jan 19	Student presentations (tbc)
<b>Week 13</b>	Thu Fri	Jan 26 Jan 27	Student presentations (tbc)
<b>Week 14</b>	Thu Fri	Feb 1 Feb 2	
<b>Week 15</b>	Thu Fri	Feb 8 Feb 9	

## Long Syllabus (Tentative)

### Lecture 1/2: 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
- (\*) 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
- (\*) Diamond, J. (1997). *Guns, Germs, and Steel: The Fates of Human Societies*. W.W. Norton, New York
- David, P. A. (1985). Clio and the economics of qwerty. *American Economic Review*, 75(2):332–337
- 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
- Maddison, A. (2003). *The World Economy: Historical Statistics*. OECD, Paris
- 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

### Lecture 2/3: 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
- (\*) 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
- (\*) Clark, G. and Hamilton, G. (2006). Survival of the Richest: The Malthusian Mechanism in Pre-Industrial England. *Journal of Economic History*, 66(3)
- 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
- 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. (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, chapter 1, pages 7–42. Cambridge University Press
- 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
- Voth, H.-J. (1998). Time and work in eighteenth-century London. *Journal of Economic History*, 58(1):29–58

#### Lecture 4: 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

## Lecture 5: Institutions (II)

- (\*) 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

## Lecture 6: Religion, Culture

- (\*) 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. (2015). The Economic Effects of the Protestant Reformation: Testing the Weber Hypothesis in the German Lands. *Journal of the European Economic Association*, 13(4):561–598
- 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
- (\*) 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. (2016). Long-Term Persistence. *Journal of the European Economic Association*, 14(6):1401–1436
- (\*) 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
- (\*) Alesina, A., Giuliano, P., and Nunn, N. (2013). On the Origins of Gender Roles: Women and the Plough. *Quarterly Journal of Economics*, 128(2):469–530
- (\*) Falk, A., Becker, A., Dohmen, T., Enke, B., Huffman, D., and Sunde, U. (2017). Global Evidence on Economic Preferences. Unpublished
- 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

### Papers for student presentations

- Abramson, S. F. (2017). The Economic Origins of the Territorial State. *International Organization*, 71(1):97–130
- Ager, P., Hansen, C. W., and Jensen, P. S. (2017). Fertility and Early-Life Mortality: Evidence from Smallpox Vaccination in Sweden. Forthcoming, *Journal of the European Economic Association*
- Ashraf, Q. H., Cinnirella, F., Galor, O., Gershman, B., and Hornung, E. (2017). Capital-Skill Complementarity and the Emergence of Labor Emancipation. *CESifo Working Paper Series*, 6423
- Becker, S. O. and Pascali, L. (2017). Religion, Division of Labor and Conflict: Anti-Semitism in German Regions over 600 Years. Unpublished

- Chanda, A., Cook, C. J., and Putterman, L. (2014). Persistence of Fortune: Accounting for Population Movements, There Was No Post-Columbian Reversal. *American Economic Journal: Macroeconomics*, 6(3):1–28
- Dell, M., Lane, N., and Querubín, P. (2017). The Historical State, Local Collective Action, and Economic Development in Vietnam. Unpublished, Harvard University
- Dutta, R., Levine, D. K., Papageorge, N. W., and Wu, L. (2017). Entertaining Malthus: Bread, Circuses, and Economic Growth. *Economic Inquiry*
- Giuliano, P. and Nunn, N. (2017). Understanding Cultural Persistence and Change. *NBER Working Paper Series*, 23617
- Heblich, S. and Trew, A. (2015). Banking and Industrialization. *CESifo Working Paper Series*, 5503
- Heldring, L., Robinson, J. A., and Vollmer, S. (2015). Monks, Gents and Industrialists: The Long-Run Impact of the Dissolution of the English Monasteries. Unpublished
- Henderson, V., Squires, T., Storeygard, A., and Weil, D. (2017). The Global Distribution of Economic Activity: Nature, History, and the Role of Trade<sup>1</sup>. *Quarterly Journal of Economics*
- Hinnerich, B. T. and Pettersson-Lidbom, P. (2014). Democracy, Redistribution, and Political Participation: Evidence From Sweden 1919–1938. *Econometrica*, 82(3):961–993
- Lowes, S., Nunn, N., Robinson, J. A., and Weigel, J. (2017). The Evolution of Culture and Institutions: Evidence from the Kuba Kingdom. Forthcoming, *Econometrica*
- Maloney, W. F. and Valencia Caicedo, F. (2016). The Persistence of (Subnational) Fortune. *Economic Journal*, 126(598):2363–2401
- Joram Mayshar, Omer Moav, Z. N. and Pascali, L. (2015). Cereals, Appropriability, and Hierarchy. *CEPR Discussion Paper Series*, 10742
- Sanchez de la Sierra, R. (2017). On the Origins of the State: Stationary Bandits and Taxation in Eastern Congo. Unpublished, UC Berkeley