



Advanced Economic History

Ludwig-Maximilians-Universität München
Winter term 2020/21

Instructor

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Office hours: By appointment.

Meeting times and locations

Meeting times: Thursdays, 9:00–12:00 (s.t., with a break). See below for tentative schedule of meetings. The seminar will be held in live mode on zoom (no recording of seminar and lecture-style meetings).

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).

All course materials will be posted to the LMU moodle page. The enrolment key is *persistence*.

Format

MSc lecture plus seminar (“M12”). 12 ECTS points. Exam type: presentation and research paper (*Hausarbeit*).

Limited enrollment: 15 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 (cf. also separate course announcement by the MGSE PhD Office).

Course Overview

This course aims to explain the very long run trends in economic history. The motivating facts for studying economic history are the wide differences in the material standards (incomes per capita) across societies, both in the time series (why are our societies so much more productive than our ancestors’ ones?) and in the cross section. To investigate these questions, we will look for the explanatory power of various (causal) factors, such as geography, technology, institutions, and culture.

We will first meet for four, possibly five meetings to get to know the classic papers in the literature. These meetings will be held in traditional lecture format, although you are strongly

encouraged to read the papers beforehand and (of course) also contribute to the lectures with questions.

We will then have two meetings in which we will take a critical view on how to write a paper, reading together several papers on two major topics — institutions and culture — and discussing the heterogeneity in empirical techniques and types of evidence employed. You will be required to contribute to one of the paper presentations. Everyone is supposed have thoroughly read *all* papers before the discussion class, and to contribute to the discussion.

Finally, we will have two meetings in which you will briefly present your own term paper idea. The goal of these sessions will be to obtain constructive feedback from all course participants.

Overall, the class is supposed to be 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, including your master's thesis.

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 (MEc/MQE)/the MGSE.

Attendance of lectures is mandatory.

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

- Presentation (50%). You will have to do two short presentations (30 minutes in total, according to ECTS regulations). The first short presentation will be of an existing research paper. This will occur in the context of two "paper reading sessions", in which I want to read, compare and discuss different papers with you.

The second short presentation will be about your term paper idea. I expect you to present, in front of the class, the broad outline of your proposal, the data that you plan to collect/use, and the empirical approach. I expect everybody to give constructive feedback in these sessions.

- Research paper (50%): This will be a short term paper (*Hausarbeit*, approx. 45 000 characters). The paper should delineate a research topic and develop a novel idea contributing to that field. Some independent data work is expected.

Schedule

The exact schedule will be announced and updated as the term progresses. I expect there to be four, max. five lecture-style sessions, followed by two paper reading sessions. After Christmas break we will have two or more sessions to present and discuss your research proposals.

Week 1	Thu	Nov 5	Lecture 1
Week 2	Thu	Nov 12	Lecture 2
Week 3	Thu	Nov 19	Lecture 3
Week 4	Thu	Nov 26	Lecture 4
Week 5	Thu	Dec 3	Paper reading session 1
Week 6	Thu	Dec 10	Paper reading session 2
Week 7	Thu	Dec 17	(make up session, if needed)
Week 8	Thu	Jan 7	Term paper idea discussion session 1
Week 9	Thu	Jan 14	Term paper idea discussion session 2
Week 10	Thu	Jan 14	(Term paper idea discussion session 3)
	Sun	Feb 28	Term papers due

Syllabus

Lecture 1: Introduction; The Very Long Run (Geographic determinants)

- (*) 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
- (*) Bleakley, H. and Lin, J. (2012). Portage and Path Dependence. *Quarterly Journal of Economics*, 127(2):587–644
- (*) Mokyr, J. (2015). Acceptance speech. 2015 Balzan Prize Awards Ceremony
- (*) 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
- (*) Cantoni, D. and Yuchtman, N. (2020). Historical Natural Experiments: Bridging Economics and Economic History. *NBER Working Paper*, 26754. Prepared for the *Handbook of Historical Economics*
- (*) 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
- Nunn, N. (2009). The importance of history for economic development. *Annual Review of Economics*, 1(1):65–92
- Nunn, N. (2020). The historical roots of economic development. *Science*, 367(6485):eaaz9986

- 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: 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
- 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

Lecture 3: Institutions

- (*) 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
- (*) Acemoglu, D., Johnson, S., and Robinson, J. (2005). The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth. *American Economic Review*, 95(3):547–579
- 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. (1993). Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders' Coalition. *American Economic Review*, 83(3):525–548
- 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
- 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 4: Culture

- (*) 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
- (*) 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
- Fisman, R. and Miguel, E. (2007). Corruption, norms, and legal enforcement: evidence from diplomatic parking tickets. *Journal of Political Economy*, 115(6):1020–1048
- Putnam, R. D. (1993). *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton University Press, Princeton, N.J
- Algan, Y. and Cahuc, P. (2010). Inherited trust and growth. *American Economic Review*, 100(5):2060–92
- Guiso, L., Sapienza, P., and Zingales, L. (2006). Does culture affect economic outcomes? *Journal of Economic Perspectives*, 20(2):23–48

Paper reading session 1: Institutions

- (*) 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. (2001). The Colonial Origins of Comparative Development: An Empirical Investigation. *American Economic Review*, 91(5):1369–1401
- (*) Dell, M. (2010). The persistent effects of peru’s mining *Mita*. *Econometrica*, 78(6):1863–1903
- (*) Alsan, M. (2015). The Effect of the Tsetse Fly on African Development. *American Economic Review*, 105(1):382–410
- (*) Sanchez de la Sierra, R. (2020). On the Origins of the State: Stationary Bandits and Taxation in Eastern Congo. *Journal of Political Economy*, 128(1):32–74

Paper reading session 2: Culture

- (*) Guiso, L., Sapienza, P., and Zingales, L. (2004). The Role of Social Capital in Financial Development. *American Economic Review*, 94(3):526–556
- (*) Voigtländer, N. and Voth, H.-J. (2012). Persecution Perpetuated: The Medieval Origins of Anti-Semitic Violence in Nazi Germany. *Quarterly Journal of Economics*, 127(3):1339–1392
- (*) Fouka, V. (2020). Backlash: The Unintended Effects of Language Prohibition in US Schools after World War I. *Review of Economic Studies*, 87(1):204–239
- (*) Alesina, A., Seror, M., Yang, D. Y., You, Y., and Zeng, W. (2020). Persistence through Revolutions. Unpublished, Harvard University
- (*) Lowes, S., Nunn, N., Robinson, J. A., and Weigel, J. (2017). The Evolution of Culture and Institutions: Evidence from the Kuba Kingdom. *Econometrica*, 85(4):1065–1091