



## Culture and Institutions in Economic History

Ludwig-Maximilians-Universität München  
Summer term 2021

### Instructors

Professor: Davide Cantoni; email: [cantoni@lmu.de](mailto:cantoni@lmu.de).

Office hours: Fridays, 11:00 (please sign up in advance).

Other good chances to talk: after classes.

Teaching assistant: Leonie Bielefeld; email: [leonie.bielefeld@econ.lmu.de](mailto:leonie.bielefeld@econ.lmu.de).

### Meeting times and locations

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

### Lectures:

Lectures will be pre-recorded and posted online (link on Moodle).

To allow you to ask questions to professor Cantoni about the lecture material (lacking the possibility to ask questions in pre-recorded lectures), we will hold online office hours every 2 weeks on average, on Fridays, 11:00–12:00. The exact dates are:

- Questions about meetings 1–2: April 23, 2021, 11:00–12:00
- Questions about meetings 3–4: May 7, 2021, 11:00–12:00
- Questions about meetings 5–6: May 21, 2021, 11:00–12:00
- Questions about meetings 7–9: June 11, 2021, 11:00–12:00
- Questions about meetings 10–11: June 25, 2021, 11:00–12:00
- Questions about meeting 12: July 2, 2021, 11:00–12:00
- Review session: July 9, 2021, 11:00–12:00

Office hours will take place on zoom, using this link to access the meetings. Here you can download the corresponding iCalendar (.ics) file.

### Classes (tutorials):

- Wednesdays, 14:00–16:00 c.t.: Zoom link
- Wednesdays, 16:00–18:00 c.t.: Zoom link

Both classes cover the same material. You can choose to attend either one. Classes begin in the second week of the term.

## Credits

90 minutes' exam, 6 ECTS points.

The final exam will likely take place in lieu of the last lecture, on July 16. Owing to the current pandemic, the planned format is a take-home exam. Time and exact mode: to be confirmed.

## 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? In particular, this class will try to understand how differences in institutions and in culture can help understanding diverging patterns of economic development across the world: between European countries, between the "Western" world and the former colonies, between North and South America etc...

This course is complementary, but does not build on the course "Geographie und Technologie in der Wirtschaftsgeschichte," which is offered in the winter term.

## Course prerequisites

It is expected that you have completed the compulsory sequence of economics classes in the economics (BSc) major; in particular, you should have a solid background in econometrics (equivalent to successful attendance of *Empirische Ökonomie I* and *II*) and in macroeconomics.

This is a course that is not generally suitable for economics minors (*Nebenfachstudenten*) unless they meet these prerequisites.

## Syllabus

**Meetings 1–2:** Introduction; definition of institutions. A case study: sovereign debt.

**Meetings 3–4:** Medieval institutions: trade, guilds, legal systems, free cities.

**Meetings 5–6:** European institutions in the early modern period: merchant classes and representation, Atlantic trade, the French Revolution, end of the Ancien Régime.

**Meetings 7–9:** Colonial institutions: elites, geographic endowments, exploitation and slavery, inclusive institutions, Neo-Europes.

**Meetings 10–13:** Culture: definition; measurement and effects: trust, social capital; the experimental approach; historical origins of culture.

## Literature

### Books

There is no required textbook for this class. All lectures will be based on research papers (see below). A very readable introduction to the topic of institutions, and thus a highly recommended reading, is the following book:

- Acemoglu, Daron and James A. Robinson (2012). *Why Nations Fail*. New York: Crown.

### Papers: Lectures

These papers will be the basis for the lectures. The papers will be posted on the course website (on LSF) in advance of classes.

#### Meetings 1–2:

- 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

#### Meetings 3–4:

- 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
- 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

#### Meetings 5–6:

- 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
- Acemoglu, D., Cantoni, D., Johnson, S., and Robinson, J. A. (2011). The Consequences of Radical Reform: The French Revolution. *American Economic Review*, 101(7):3286–3307

#### Meetings 7–9:

- 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
- 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
- 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

- 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

Meetings 10–13:

- Tabellini, G. (2010). Culture and Institutions: Economic Development in the Regions of Europe. *Journal of the European Economic Association*, 8(4):677–716
- Henrich, J., Boyd, R., Bowles, S., Camerer, C., Fehr, E., Gintis, H., McElreath, R., Alvard, M., Barr, A., Ensminger, J., Henrich, N. S., Hill, K., Gil-White, F., Gurven, M., Marlowe, F. W., Patton, J. Q., and Tracer, D. (2005). “Economic man” in cross-cultural perspective: Behavioral experiments in 15 small-scale societies. *Behavioral and Brain Sciences*, 28:795–855
- Falk, A., Becker, A., Dohmen, T., Enke, B., Huffman, D., and Sunde, U. (2018). Global Evidence on Economic Preferences. *Quarterly Journal of Economics*, 133(4):1645–1692
- Fernández, R. and Fogli, A. (2009). Culture: An empirical investigation of beliefs, work, and fertility. *American Economic Journal: Macroeconomics*, 1(1):146–177
- Guiso, L., Sapienza, P., and Zingales, L. (2016). Long-Term Persistence. *Journal of the European Economic Association*, 14(6):1401–1436
- Nunn, N. and Wantchekon, L. (2011). The Slave Trade and the Origins of Mistrust in Africa. *American Economic Review*, 101(7):3221–3252
- 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