
⌘ Harvard University ⌘

Economics 2330: The Development of the American Economy

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Spring 2003, Tuesday & Thursday 12:00noon to 1:30pm, Littauer M-15

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**Historical Origins of Current Economic Issues:
A U.S. Perspective**

THE RESEARCH PAPER OR THE "ALTERNATIVE" PAPER

There are two ways to fulfill the paper requirement for Econ2330. One is by writing an original research paper due by August 31, 2003 at the latest (and I mean it). The other is by writing (and possibly discussing in class) on some inconsistency or lacuna in the literature. This alternative is more structured (thus easier). I have offered some topics together with due dates. This is a good option for those who do not want to write an original paper or would like to get the requirement and the course work done soon or who are interested in any of the topics listed. A well done paper of this type could result in a short comment-style publication.

THE RESEARCH PAPER

If you take this option, you must write an original research paper the length of a normal journal article (about 25-30 pages inclusive of endnotes, references, tables, and figures). The paper can take several forms. Ideally, you should confront an interesting and important issue in economic history and use economic models or frameworks, and data to explore it. *The paper must use primary sources unless it is primarily theoretical.*

Choosing the topic is the first and most difficult task. You may want to write on a subject related to one of your fields of interest in economics or to your dissertation. Tell me (e-mail is often the best way) about your paper topic as soon as you have ideas, however vague.

Remember that *the paper must be historical in the sense of confronting a question or an issue of long-run consequence*. It should not be historical in the sense of simply using data from the past. Economic historians often seek the origins of issues of current concern (e.g., why do African-American men, given observables, earn less than do white men today; why does the average woman, given observables, earn less than the average man?). They also use historical data to understand the validity of the implications or assumptions of economic models (e.g., has the U.S. economy become less volatile over the past century? when did the quality-quantity tradeoff in having children begin?). Many historical questions and themes can use data that are fairly recent in origin, as long as the issues are linked to the longer-term ones (e.g., why has there been so little economic convergence recently across countries in manufacturing labor productivity? why do various European countries have higher test scores on international examinations than does the U.S.?). There are, as well, questions and themes of historical interest independent of their immediate concern (e.g., those concerning slavery, the franchise, westward expansion).

The paper must be original in the sense that it represents your own ideas. You are responsible for making certain that all materials used in the paper are fully attributed, through quotation and appropriate footnoting. If you are uncertain of the research paper style, read one of many books on the subject such as the well-known reference *A Manual of Style* (University of Chicago Press). Part of the project is to familiarize you with the form of a research paper. The paper must also be well written in the sense that it conveys your ideas well and is persuasive. A poorly written paper, no matter what its substantive

contribution, will have little impact on its readers. Writing well is not an art; it results from the hard work of rewriting several drafts.

There are a wide variety of primary sources (by which is meant “a source that is not interpreted”). The most obvious, for economists, are those containing data. These include, for the subject at hand:

(1) the federal censuses of the United States (population, manufacturing, agriculture, social statistics, vital statistics), and the Current Population Surveys (post-1940s). Most of these are now in electronic form (e.g., IPUMS of the U.S. population census);

(2) reports of the various federal agencies, such as the Department of Labor and the Bureau of Labor Statistics (e.g., the Annual Reports of the Commissioner of Labor in the 1890s and early 1900s, the Bulletins of the Department of Labor, bulletins of the Women’s Bureau), the Office (later Department) of Education, the Department of Agriculture, the Department of Commerce, various regulatory commissions; reports of the state bureaus of labor statistics and other state agencies;

(3) miscellaneous data sources such as: Montgomery Ward and Sears catalogues (e.g., for price data), newspapers, farmers’ account books, firm records, the Congressional Record, reports of the Senate and House. Under certain circumstances the many NBER volumes of the c.1920 to c.1970 period that set forth the statistical foundations of the United States can be considered “primary sources.”

(4) data in electronic form from, for example, the Harvard-M.I.T. data center: <http://data.fas.harvard.edu/hdc/search/search.shtml>. See, as well, the ICPSR (Interuniversity Consortium on Political and Social Research) volume on its data holdings, many of which are already at the Harvard-M.I.T. data center. Also, I have many data sets that may be of interest to those working on labor or education related topics. And there are, now, a large number of historical data sources on web sites that are all over the map.

The best way to acquaint yourself with historical statistics is to consult the 2 volumes of *Historical Statistics* (1975), which contain data and their sources on virtually every subject covered in the course including population, prices, national income, capital, wages, hours, union membership, trade, fertility, and mortality. Primary sources also include a wide variety of documents that bear on domestic and foreign policy, household and consumer behavior, firm behavior, and the like. There are, for example, the voting records of the House and Senate (from the *Congressional Record*). The Government Documents section of Lamont Library contains all of the federal population censuses, the *Congressional Record*, and countless other primary sources. The basement of Littauer houses all of the Bulletins of the Department of Labor, many of the state bureaus of labor statistics volumes, and so on. There are also many historical data sets already in machine-readable form as noted in (4) above.

Most important in writing a paper is finding the topic and the question(s). Thus, you must begin with a topic, then read the secondary literature, then formulate questions (first broad ones and then far narrower ones), and only then seek out primary sources.

THE “ALTERNATIVE” PAPER

Explore the following inconsistencies or lacunae in the literature. An exploration can involve digging deep in the original sources to discover who is really right or wrong. It can, alternatively, involve reconciling some apparent difference through theory or the interpretation of some results. A lacuna can be filled by taking a literature and making sense of it, forming a theme, coming up with an overarching theory or using some theory in economics that can be applied to the area. The point is that there are lots of ways of doing these papers. I have listed some topics and a few ideas concerning them. You can be creative and come up with additional questions or even additional subject.

1. *Networks and Standardization* (April 17): The area of networks has not been well explored historically and there are at least two large holes in the literature. The first involves standardization and the second concerns how networks form. There are many examples in history of apparently uncoordinated standardization in response to a sudden innovation (e.g., typewriter keyboard, those concerning

electricity; although see track gauge paper on reading list for a different conclusion). Explore whether these incidents of standardization arose because of monopolies or because there was a clear first mover using I.O. models or because of something else. Why do they sometimes form but do not for other goods. Alternatively, explore how large networks form. What has been the role of the government (e.g., post office, telegraph, interstate highway system)?

2. *Post-bellum South and Tenancy* (April 1): There is a large literature in economic development and economic history about the effects of tenancy forms such as sharecropping on earnings, geographic mobility, investment, and so on. Using the example of the U.S. South after the Civil War, write a paper making sense of which models are useful and which are not. If possible, come to a conclusion about whether tenancy was good or bad for freedmen and for the South generally.

3. *GNP and Sectoral Labor Productivity Measures for Britain, Germany, and the United States* (March 13): The U.S. began to exceed the economic leader, Britain, in GNP/capita around 1900 to 1910. In terms of TFP in manufacturing there are good estimates by Robert Allen, for example, that this occurred around the same time. But Broadberry, in a series of papers (see lecture 3 recommended readings) claims that labor productivity (and TFP for that matter) in manufacturing was higher in the U.S. than elsewhere dating back to 1870. Thus, the reason the U.S. overtook Britain was because the labor force in agriculture declined relative to that manufacturing in the U.S. Who is correct? Are there errors in Broadberry's empirics? Note that many believe there are, but no one has written on the subject. Why not be the first?

4. *Long run aspects of cost-of-living indexes* (April 24): The value of the cost-of-living index (or the CPI or the GNP deflator) is often decisive regarding whether income or wages or GNP increased by a lot or a little (or not at all). The Boskin Commission, several years ago, decreed that the CPI was biased upward by about 1% per year. That is a lot. Much of the bias is due to quality change and new goods. But what about historically? Shouldn't the bias be even greater? There is a growing literature on the subject (e.g., Nordhaus, Costa). Summarize it, possibly criticize it, and finally make sense of it regarding whether the long-run data are seriously biased downward or not at all.

There are other topics as well. You will note that this form of the "paper" can be an enlightened literature review. If you read a section of the course and find it lacking, you can suggest another topic (although this implies that the due date would not coincide with the date when the material was discussed in class).