
⌘ Harvard University ⌘
Economics 2330: The Development of the American Economy

[HTTP://WWW.COURSES.FAS.HARVARD.EDU/~EC2330/](http://www.courses.fas.harvard.edu/~ec2330/)

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

Professor Claudia Goldin, e-office (always open) CGOLDIN@HARVARD.EDU or Littauer 217, Wednesday 2:30-3:45pm

**Historical Origins of Current Economic Issues:
A U.S. Perspective
Reading List and Course Outline**

A. Introduction

Economics 2330 is a history of the American economy and an exploration of the historical roots of relatively recent and current economic issues, such as rising inequality, the productivity slowdown, nominal wage rigidity, the growth of government, social programs, racial and gender differences in earnings and employment, immigration, education reform, and technological change. The course is organized as both lecture and seminar, with two classes per week.

Students unfamiliar with American history should read or skim any relevant text. There is no text for this course, although J. Atack and P. Passell *A New Economic View of American History* can serve as the main reference, for some subjects, before proceeding to the detailed assignments. The majority of the readings are articles in journals and chapters in books. All required, and many of the recommended, readings are on reserve in Littauer Library. Many of the articles are available on JSTOR or other electronic resources and are “linked” on the readings list on the Ec2330 web-age. The remaining required readings are in a readings packet that you may xerox for personal use.

B. Course Requirements

The requirements for Economics 2330 are: (a) read assigned materials before class, (b) complete a research paper (the length of a short journal article) described in a separate handout *or* write a paper that explores inconsistencies or lacunae in the literature as described in the handout, and (c) pass a final examination. A set of final exam questions, from which those on the exam will be chosen, will be circulated at the end of the semester. The research paper is due no later than August 30, 2003. The alternative paper is due the date of the discussion of the material in class and any student fulfilling this part of the requirement will discuss the findings in class. The final examination date is flexible and will be scheduled according to your other exams, generals, or comprehensives.

C. Outline and Reading List

Abbreviations:

A&P = Atack and Passell, *A New Economic View of American History*

AEG = Davis, Easterlin, Parker, et al., *American Economic Growth*

AER = *American Economic Review*

BPEA = *Brookings Papers on Economic Activity*

CEHUS = S.L. Engerman & R. Gallman (eds.), *Cambridge Economic History of the U.S.*, Vols. II, III.

EEH = *Explorations in Economic History*

EI = *Economic Inquiry*

EJ = *Economic Journal*

ILRR = *Industrial and Labor Relations Review*

JEH = *Journal of Economic History*

- JEL = *Journal of Economic Literature*
JEP = *Journal of Economic Perspectives*
JIH = *Journal of Interdisciplinary History*
JL&E = *Journal of Law and Economics*
JPE = *Journal of Political Economy*
QJE = *Quarterly Journal of Economics*
Reint. = R. Fogel & S. Engerman, eds., *The Reinterpretation of American Economic History*

Symbols:

- = required
- = highly recommended. Atack-Passell may be purchased at Coop and is on reserve at Littauer.
- § = not required but will probably be referred to in lecture; may be on reserve at Littauer

Note: Most of the ● & ○ readings are on e-reserve <<http://ereserves.harvard.edu>>. There is an “E-readings” page on the course website linking most readings to the following:

- [J] = available on JSTOR <<http://nrs.harvard.edu/urn-3:hul.eresource:jstorage>>
- [L] = available through various Links, e.g., <<http://nrs.harvard.edu/urn-e:hul.eresource:jecohist>> , which is the JEH. Some links (e.g., AER 2000, 2001) are not available through HOLLIS but will be linked on our website E-readings page or placed on the site directly.
- [N] = available on the NBER website <<http://www.nber.org>>
- [G] = available on my website <<http://economics.harvard.edu/faculty/goldin/goldin.html>>

Date(s)	Module Number. Topic(s) <i>Question(s) of current and historical relevance</i> Required (●) and Highly recommended (○) readings Recommended but not required (§) readings
on your own	0. Introduction: The Varieties of and Uses of Economic History ● [J] C. Goldin, “Cliometrics and the Nobel,” <u>JEP</u> 9 (Spring 1995), pp. 191-208.
Jan. 30	1. Favorites of Fortune or Favorites by Design <i>Is the economic growth of nations largely determined by pre-existing institutions, legal structure, inequality, geography, natural resources, and so on? Or do the “favorites of fortune” experience “reversals of fortune”? Was America a “favorite by design” or a “favorite of fortune”?</i> <ul style="list-style-type: none"> ● [L] K.L. Sokoloff & S.L. Engerman, “Institutions, Factor Endowments, and Paths of Development in the New World,” <u>JEP</u> 14 (Summer 2000), pp. 217-32. ● [L] D. Acemoglu, S. Johnson, & J. Robinson, “Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution” <u>QJE</u> 117 (Nov. 2002), pp. 1231-94. ○ J.M. Diamond, <i>Guns, Germs, and Steel: The Fates of Human Societies</i> (Norton, 1999), prologue, epilogue, and skim the rest especially Part II. § S. Djankov, R. LaPorta, F. Lopez de Silanes, & A. Shleifer, “Regulation of Entry,” <u>QJE</u> 117 (Feb. 2002), pp. 1-37. § D. Acemoglu, S. Johnson, & J. Robinson, “The Colonial Origins of Comparative Development: An Empirical Investigation,” <u>AER</u> 91 (December 2001), pp. 1369-1401.
Feb. 4, Feb. 6	2. American Economic Ascendancy <i>What are the main contours of US economic growth? What are the main determinants of growth and, among them, which have been crucial to the US experience?</i> <ul style="list-style-type: none"> ○ <u>A&P</u>, chap. 1. ● [J] P. Romer, “Why, Indeed, in America? Theory, History, and ...Economic Growth,” <u>AER</u> (May 1996), pp. 202-6. ● [J] G. Wright, “The Origins of American Industrial Success, 1879 to 1940,” <u>AER</u> 80 (Sept.

	<p>1990), pp. 651-68.</p> <ul style="list-style-type: none"> • [J] R. Nelson & G. Wright, "The Rise and Fall of American Technological Leadership," <u>JEL</u> 30 (Dec. 1992), pp. 1931-64. • [J] R.W. Fogel, "Economic Growth, Population Theory, and Physiology," (Nobel Lecture) <u>AER</u> 84 (June 1994), pp. 369-95. • [J] R.J. Gordon, "U.S. Economic Growth since 1870: One Big Wave?" <i>American Economic Review</i> (May 1999), pp. 123-27. <p>§ [J] R. Steckel, "Stature and the Standard of Living," <u>JEL</u> (Dec. 1995), pp. 1903-40.</p> <p>§ R. Gallman, chap. 2, <u>AEG</u> (long, old, but easy and filled with facts; skim it).</p> <p>§ G. Wright, "Can a Nation Learn? American Technology as a Network Phenomenon," in N. Lamoreaux, et al. (eds.), <i>Learning by Doing in Markets, Firms, and Countries</i> (Chicago, 1999).</p> <p>§ [J] W. Nordhaus, "Quality Change in Price Indexes," <u>JEP</u> 12 (Winter, 1998), pp. 59-68.</p> <p>§ [J] D. Costa, "Estimating Real Income in the United State from 1988 to 1994: Correcting CPI Bias Using Engel Curves," <u>JPE</u> 109 (Dec. 2001): pp. 1288-1310.</p> <p>§ S.D. Oliner & D.E. Sichel, "The Resurgence of Growth in the Late 1990s: Is Information Technology the Story?," <u>JEP</u> 14 (Fall 2000), pp. 3-22.</p>
Feb. 11	<p>3. Understanding Growth, Convergence, and Divergence</p> <p><i>Of what relevance is growth theory for understanding the US growth experience? What factors allow countries to gain entry to the "Convergence Club" (e.g., human capital, investment in equipment, openness, abundant natural resources, institutions)?</i></p> <ul style="list-style-type: none"> • [J] R. Easterlin, "Why Isn't the Whole World Developed?," <u>JEH</u> 51 (March 1981), pp. 1-19. • [J] W. Baumol, "Productivity Growth, Convergence, and Welfare: What the Long-Run Data Show," <u>AER</u> 76 (Dec. 1986), pp. 1072-85. • [J] L. Pritchett, "Divergence, Big Time," <u>JEP</u> (Summer 1997), pp. 3-17. ○ [J] K. Murphy, A. Shleifer, & R. Vishny, "Industrialization and the Big Push," <u>JPE</u> 97 (Oct. 1989), pp. 1003-25. ○ [L] J. Sachs & A. Warner, "Economic Reform and the Process of Global Integration," <u>BPEA</u> vol. 1 (1995), pp. 1-11; 35-52 (remainder of article is optional) ○ [J] J. Rosenbloom, "One Market or Many? Labor Market Integration ... Late 19th-Century," <u>JEH</u> 50 (March 1990), pp. 85-107. <p><u>Growth:</u></p> <p>§ [J] G. Clark, "Why Isn't the Whole World Developed? Lessons from the Cotton Mills," <u>JEH</u> 47 (March 1987), pp. 141-73.</p> <p>§ [J] K. Murphy, A. Shleifer, R. Vishny, "Income Distribution, Market Size, and Industrialization," <u>QJE</u> (Aug. 1989), pp. 537-64.</p> <p>§ [J] G. Mankiw, D. Romer, & D. Weil, "A Contribution to the Empirics of Economic Growth," <u>QJE</u> 107 (May 1992), pp. 407-38.</p> <p><u>Convergence:</u></p> <p>§ R. Barro & X. Sala-I-Martin, "Convergence across States and Regions," <u>BPEA</u>, vol. 1 (1991), pp. 107-82.</p> <p>§ [J] B. DeLong, "Productivity Growth, Convergence, and Welfare: Comment [on Baumol]," <u>AER</u> 78 (Dec. 1988), pp. 1138-59.</p> <p>§ J. Williamson, "The Evolution of Global Labor Markets," <u>EEH</u> 32 (Apr. 1995), pp. 141-63.</p> <p>§ [J] S.N. Broadberry, "Manufacturing and the Convergence Hypothesis: Long-Run Data," <u>JEH</u> 53 (Dec. 1993), pp. 772-95.</p> <p>§ S.N. Broadberry, "How Did the United States and Germany Overtake Britain? A Sectoral Analysis of Comparative Productivity Levels, 1870-1990," <u>JEH</u> 58 (June 1998), pp. 375-407.</p> <p>§ [J] M. Abramovitz, "Catching Up, Forging Ahead, and Falling Behind," <u>JEH</u> 46 (June 1986), pp. 385-406.</p>

<p>Feb. 13, Feb. 18, Feb. 20</p>	<p>4. The Demographic Transition and Immigration 4.1 Births, Deaths, and Health 4.2 Immigration and its Political Economy <i>When did the US undergo the “demographic transition”? What is the relationship between fertility and economic cycles? Does immigration alter economic growth and lower real wages? What are the forces behind immigration restriction legislation?</i></p> <p>○ <u>A&P</u>, chaps. 8, 9 (on land policy).</p> <ul style="list-style-type: none"> • [N] M. Haines, “The Population of the United States, 1790-1920,” in <u>CEHUS Vol.II</u>, also NBER Historical Paper No. 56 (June 1994). • [L] C. Goldin, “The Political Economy of Immigration Restriction in the United States, 1890 to 1921,” in C. Goldin & G. Libecap (eds.), <i>The Regulated Economy</i> (Chicago, 1994), pp. 223-58. • [L] G. Borjas, “Long-Run Convergence of Ethnic Skill Differentials: The Children and Grandchildren of the Great Migration,” <u>ILRR</u> (July 1994), p. 553-73. <p><u>Demographic Transition:</u></p> <p>§ [N] O. Galor & D. Weil, “Population, Technology, and Growth: From the Malthusian Regime to the Demographic Transition,” <u>AER</u> 90 (Sept. 2000), pp. 806-28; also NBER Working Paper no. 6811 (Nov. 1998).</p> <p>§ C. Pope, “Adult Mortality in America before 1900,” in C. Goldin & H. Rockoff (eds.), <i>Strategic Factors in 19th Century American Economic History</i> (Chicago, 1992).</p> <p>§ R. Easterlin, <i>Birth and Fortune: The Impact of Numbers on Personal Welfare</i> (Basic, 1980).</p> <p>§ [J] F. Lewis, “Fertility and Savings in the U.S.: 1830-1900,” <u>JPE</u> 91 (Oct. 1983), pp. 825-40.</p> <p>§ [J] W. Butz & W. Ward, “The Emergence of Countercyclical U.S. Fertility,” <u>AER</u> 69 (June 1979), pp. 318-28.</p> <p>§ [J] R. Easterlin, “Population Change and Farm Settlement in the Northern United States,” <u>JEH</u> (March 1976), pp. 45-75.</p> <p>§ P. David & W. Sundstrom, “Old-Age Security Motives ... and Farm Family Fertility,” <u>EEH</u> 25 (Apr. 1988), pp. 164-97.</p> <p><u>Immigration:</u></p> <p>§ R. Easterlin, “Influences in European Overseas Emigration before World War I,” in <u>Reint.</u></p> <p>§ F. Blau, “Immigration and Labor Earnings in Early 20th Century America,” <i>Research in Population Economics</i>, vol. 2 (1980), pp. 121-41.</p> <p>§ [N] S. Carter and R. Sutch, “Historical Perspectives on the Economic Consequences of Immigration into the United States,” NBER Historical Paper No. 101 (Dec. 1997).</p> <p>§ [J] G. Borjas, R. Freeman, & L. Katz, “Searching for the Effect of Immigration on the Labor Market,” <u>AER</u> 86 (May 1996), pp. 246-51.</p> <p>§ G. Borjas, <i>Friends or Strangers</i> (Basic Books, 1990).</p> <p>§ [J] W. Collins, “When the Tide Turned: Immigrants and ... the Great Black Migration,” <u>JEH</u> 57 (Sept. 1997), pp. 607-35.</p>
<p>Feb. 25, Feb. 27, March 4</p>	<p>5. Long-Term Trends in the Labor Force and Human Capital Formation 5.1 The evolution of modern labor markets 5.2 The history of education in the United States <i>What accounted for the 20th century rise in female labor force participation and why is there a gender gap in earnings? What, if anything, is wrong with American education today and when did these ills begin? Did labor markets evolve from “spot” to “contractual” markets?</i></p> <p>○ <u>A&P</u>, chap. 19.</p> <ul style="list-style-type: none"> • [L, G] C. Goldin, “Labor Markets in the 20th Century,” <u>CEHUS Vol. III</u>, pp. 549-623; revision of NBER Historical Working Paper No. 58. • [L] C. Goldin, <i>Understanding the Gender Gap: An Economic History of American Women</i> (Oxford, 1990), chap. 2, pp. 10-46; chap. 5 (rest of book optional).

- [L, G] C. Goldin, “America’s Graduation from High School,” *JEH* 58 (June 1998), pp. 345-74.
- [L, G] C. Goldin, “The Human Capital Century and American Leadership: Virtues of the Past,” *JEH* (June 2001), pp. 263-91.
- [J] D. Costa, “Pensions and Retirement: Evidence from Union Army Veterans,” *QJE* 110 (May 1995), pp. 297-320.
- [L] R. Freeman, “Spurts in Union Growth: Defining Moments and Social Processes,” in M. Bordo, C. Goldin, & E. White (eds.), *The Defining Moment* (Chicago, 1998), pp. 265-95.

Labor:

- § [J] P. Fishback, “Operations of ‘Unfettered’ Labor Markets,” *JEL* 26 (June 1998), pp. 722–65.
- § [J] “The Role of W.W. II in the Rise of Women’s Employment,” *AER* 81 (Sept. 1991), pp. 741-56.
- § F. Blau & L. Kahn, “Gender Differences in Pay,” *JEP* 14 (Fall 2000), pp. 75-99.
- § R. Margo, *Wages and Labor Markets in the United States, 1820-1860* (University of Chicago Press, 1999), esp. chapters 1, 3, 6.
- § D. Costa, *The Evolution of Retirement* (Chicago, 1988), chaps. 1, 2, 6, 7.

Human Capital Formation:

- § [J] C. Goldin, “Egalitarianism and the Returns to Education during the Great Transformation of American Education,” *JPE* (Dec. 1999), pp. S65-S94.
- § [N] C. Goldin & L. Katz, “Why the U.S. Led in Education: Lessons from Secondary School Expansion, 1910 to 1940,” NBER Working Paper No. 6144 (1997).
- § [J] C. Goldin & L. Katz, “The Shaping of Higher Education: The Formative Years in the United States, 1890 to 1940,” *JEP* (Winter 1999), pp. 37-62.

March 6,
March 11,
March 13

6. Technological and Structural Changes in Manufacturing

6.1 From the “American System” to mass production in peace and at war

6.2 The rise of “Big Business” and antitrust from Sherman to “Microsoft”

How can the history of technology inform the relationship between technological advance and economic productivity? What are the precedents to the “computer revolution” and its General Purpose Technology features? What do the Great Merger Movement and its impact reveal about long-run changes in the structure of industry?

- A&P, chaps. 7, 17.
- [L] C. Goldin & L. Katz, “The Origins of Technology-Skill Complementarity,” *QJE* 113 (June 1998), pp. 693-732.
- [J] P. David, “The Dynamo and the Computer: ... the Modern Productivity Paradox,” *AER* 80 (May 1990), pp. 355-61.
- [J] W. Devine, “From Shafts to Wires: Historical Perspective on Electrification,” *JEH* 43 (June 1983), pp. 347-72.
- [L] R.J. Gordon, “Does the ‘New Economy’ Measure up to the Great Inventions of the Past?” *JEP* (Fall 2000), pp. 49-74.
- [J] A. Chandler, “Organizational Capabilities and the Economic History of the Industrial Enterprise,” *JEP* 6 (Summer 1992), pp. 79-100.
- [J] L. Hannah, “Survival and Size Mobility among the World’s Largest 100 Industrial Corporations, 1912-1995,” *AER* 88 (May 1998), pp. 62-65.
- [L] A. Chandler, chap. 9: “The Coming of the Modern Industrial Corporation”; chap. 10: “Integration by Way of Merger,” in *The Visible Hand* (Harvard, 1977).

“American System” to mass production:

- § [J] C. Goldin & L. Katz, “Technology, Skill, and the Wage Structure: Insights from the Past,” *AER* 86 (May 1996), pp. 252-57.
- § N.R. Lamoreaux & K.L. Sokoloff, “Market Trade in Patents and the Rise of a Class of Specialized Inventors in the 19th-Century United States,” *AER* 91 (May 2001), pp. 39-44.

	<p>§ S.L. Engerman and K.L. Sokoloff, "Technology and Industrialization, 1790-1914," in <u>CEHUS Vol. II</u>, pp. 367-94.</p> <p>§ N. Rosenberg, <i>Technology and American Economic Growth</i> (Harper, 1972), chaps. 3, 4.</p> <p>§ H.J. Habakkuk, <i>American and British Technology in the 19th C.: The Search for Labour-Saving Inventions</i> (Cambridge, 1962).</p> <p>§ [J] J. James & J. Skinner, "The Resolution of the Labor-Scarcity Paradox," <u>JEH</u> 45 (Sept. 1985).</p> <p>§ [J] R. Clarke & L. Summers, "The Labor Scarcity Controversy Reconsidered," <u>EJ</u> (March 1980).</p> <p><u>Mass production in World War II:</u></p> <p>§ H. Gemery, and J. Hogendorn, "The Microeconomic Bases of Short-Run Learning Curves: Destroyer Production in World War II," in G. Mills and H. Rockoff (eds.), <i>Sinews of War: Essays on the Economic History of World War II</i> (1993), pp. 150-65.</p> <p>§ K. Mishina, "Learning by New Experiences: Revisiting the Flying Fortress Learning Curve," in N. Lamoreaux, et al. (eds.), <i>Learning by Doing in Markets, Firms, and Countries</i> (Chicago, 1999).</p> <p><u>Big business and antitrust:</u></p> <p>§ J. Atack, "Industrial Structure and the Emergence of the Modern Industrial Corporation," <u>EEH</u> 22 (Jan. 1985), pp. 29-52.</p> <p>§ A. Chandler, <i>The Visible Hand</i>, chaps. 7, 8, 11.</p> <p>§ N. Lamoreaux, <i>The Great Merger Movement ..., 1895-1904</i> (Cambridge, 1985).</p> <p>§ G. Libecap, "The Rise of the Chicago Packers and the Origins of Meat Inspection and Antitrust," <u>EI</u> (April 1992): 242-60.</p> <p>§ [J] R. Allen, "International Competition in Iron and Steel," <u>JEH</u> 39 (June 1979), pp. 911-37.</p>
March 18, March 20, April 1	<p>7. Regional Development: The South and Slavery</p> <p><i>How can we begin to comprehend the institution of slavery in America? How was "slave agriculture" different from "free agriculture"? Why did the post-bellum South lag the nation for so long in almost all economic indicators? What were the roles of tenancy, racism, and other legacies of slavery? When and how did the South join the "convergence club"?</i></p>
Mar. 25, 27 is Spring Break 📅	<p>○ <u>A&P</u>, chaps. 11, 12, 13, 14.</p> <p>● R. Fogel, <i>Without Consent or Contract</i> (Norton, 1989), pp. 17-113 (chap. 10 optional).</p> <p>● [J] E. Field, "The Relative Efficiency of Slavery Revisited," <u>AER</u> 78 (June 1988), pp. 543-49.</p> <p>○ [L] S. Engerman, "The Economic Impact of the Civil War," chap. 27 in <u>Reint.</u></p> <p>○ [L] J. Irwin, "Explaining the Decline in Southern per Capita Output after Emancipation," <u>EEH</u> 31 (1994), pp. 336-56.</p> <p>○ [J] F. Caselli & J. Coleman, "The U.S. Structural Transformation and Regional Convergence: A Reinterpretation," <u>JPE</u> 109 (June 2001), pp. 584-616.</p>
	<p><u>Servitude:</u></p> <p>§ R. Fogel & S. Engerman, <i>Time on the Cross</i> (Little Brown, 1974), pp. 13-78, 191-209, 247-57.</p> <p>§ [J] R. Fogel & S. Engerman, "Explaining the Relative Efficiency of Slave Agriculture," <u>AER</u> 67 (June 1977), pp. 275-95.</p> <p>§ [J] G. Wright, "The Efficiency of Slavery: Another Interpretation," <u>AER</u> 69 (March 1979), pp. 219-26.</p> <p>§ [J] R. Fogel & S. Engerman. "Explaining the Relative Efficiency of Slave Agriculture: Reply," <u>AER</u> 70 (Sept. 1980), pp. 672-90.</p> <p>§ [J] D. Galenson, "The Market Evolution of Human Capital: The Case of Indentured Servitude," <u>JPE</u> 89 (June 1981), pp. 446-67.</p> <p><u>The Post-bellum South:</u></p> <p>§ G. Wright, <i>Old South, New South: Revolutions in the Southern Economy since the Civil War</i> (Basic Books, 1986).</p> <p>§ [J] R. Ransom & R. Sutch, "Debt Peonage in the Cotton South after the Civil War," <u>JEH</u> 32</p>

	<p>(Sept. 1972), pp. 641-69.</p> <p>§ [J] J. Reid, "Sharecropping as an Understandable Market Response: The Post-Bellum South," <u>JEH</u> 33 (March 1973), pp. 106-30.</p> <p>§ K.J. Mitchener & I.W. McLean, "U.S. Regional Growth and Convergence, 1880-1980," <u>JEH</u> (Dec. 1999), pp. 1016-42.</p>
April 3, April 8	<p>8. The Distributions of Income and Wealth</p> <p><i>What does the history of inequality reveal about the post-1980 widening of income and wages, especially the roles of technical change, trade, immigration, education, and government policy? What is the "Kuznets Curve" and where can one find it in US history?</i></p> <ul style="list-style-type: none"> • P. Lindert, "Three Centuries of Inequality in Britain and America," in A. Atkinson and F. Bourguignon (eds.), <i>Handbook of Income Distribution</i> (2000). • [J] C. Goldin & R. Margo, "The Great Compression: The U.S. Wage Structure at Mid-Century," <u>QJE</u> 107 (Feb. 1992), pp. 1-34. ○ [N, G] C. Goldin & L. Katz "The Returns to Skill in the United States across the Twentieth Century," NBER Working Paper No. 7126 (May 1999). <p>§ J. Kearl & C. Pope, "Wealth Mobility: The Missing Element," <u>JIH</u> (Winter 1983), pp. 461-88.</p> <p>§ [J] S. Kuznets, "Economic Growth and Income Inequality," (Presidential Address), <u>AER</u> 45 (March 1955), pp. 1-28.</p> <p>§ [N, G] C. Goldin & L. Katz, "Education and Income in the Early 20th Century: Evidence from the Prairies," <u>JEH</u> 60 (Sept. 2000), pp. 782-818. Revision of NBER Working Paper no.7217.</p> <p>§ [J] R. Margo & G. Villaflor, "The Growth of Wages in Antebellum America: New Evidence," <u>JEH</u> 47 (Dec. 1987), pp. 873-95.</p> <p>§ R. Freeman & L. Katz, "Rising Wage Inequality: The U.S. vs. Other Advanced Countries," in R. Freeman, (ed.) <i>Working Under Different Rules</i> (Russell Sage, 1994), chap. 2.</p> <p>§ J. Williamson & P. Lindert, <i>American Inequality: A Macroeconomic History</i> (Academic Press, 1980), esp. chaps. 4, 6, 10, 11.</p>
April 10, April 15	<p>9. The Origins of Black-White Differences in Earnings and Occupations</p> <p><i>What accounts for persistent, and recently widening, differences between the earnings of blacks and whites? Has the racial earnings gap ever diminished, and, if so, why? What has been the role of government policy at the federal and state levels in decreasing (or increasing) racial differences in economic outcomes?</i></p> <ul style="list-style-type: none"> • [J] J. Smith & F. Welch, "Black Economic Progress after Myrdal," <u>JEL</u> 27 (June 1989), pp. 519-40, 557-61 (rest of article optional). • [J] J. H. Donahue & J. Heckman "Continuous vs. Episodic Change: The Impact of Civil Rights Policy on the Economic Status of Blacks," <u>JEL</u> 29 (Dec. 1991), pp. 1603-43. ○ [J] J. Heckman & B. Payner, "Determining the Impact of Federal Anti-discrimination Policy on the Economic Status of Blacks—A Study of South Carolina," <u>AER</u> (March 1989), pp. 138-45, 173-74 (rest of article is optional). • R. Margo, <i>Race and Schooling in the South</i> (Chicago, 1990), chaps. 1, 2, 5, 8 (skim most). <p>§ [J] D. Card & A. Krueger, "Trends in Relative Black-White Earnings Revisited," <u>AER</u> 83 (May 1993), pp. 85-91.</p> <p>§ G. Myrdal, <i>An American Dilemma</i> (Harper, 1948), esp. pp. 205-29, 279-303.</p> <p>§ [J] J. Smith, "Race and Human Capital," <u>AER</u> 74 (Sept. 1984): 685-98.</p> <p>§ [J] D. Card & A. Krueger, "School Quality and Black-White Relative Earnings," <u>QJE</u> 107 (Feb. 1992), pp. 151-200.</p> <p>§ [J] R. Margo, "Segregated Schools and the Mobility Hypothesis," <u>QJE</u> (Feb. 1991), pp. 61-73.</p>

<p>April 17</p>	<p>10. Networks and Neighborhoods <i>Why is economic activity more geographically concentrated than is apparently consistent with scale and transportation reasons? How important are spillovers in the location of economic activity? And what is the nature of network externalities historically, from the telegraph to the internet? Does economic growth flow from a single great invention or from a series of small ones?</i></p> <ul style="list-style-type: none"> ○ <u>A&P</u>, chaps. 6, 16, 18. • P. Krugman, <i>Geography and Trade</i> (MIT, 1991), chap. 1.(chap. 2). • [J] S. K. Kim, “Expansion of Markets and the Geographic Distribution of Economic Activities: ... 1860-1987,” <u>QJE</u> 110 (Nov. 1995), pp. 881-908. • [J] P. David, “Clio and the Economics of QWERTY,” <i>American Economic Review</i> (May 1985), pp. 332-37. • R. Fogel, <i>Railroads and American Economic Growth</i> (Johns Hopkins, 1964), chaps. 1, 6 (introduction, summary). ○ [J] D. Cutler, E. Glaeser, & J. Vigdor, “The Rise and Decline of the American Ghetto,” <u>JPE</u> (June 1999), pp. 455-507. <p>§ [J] A. Field, “The Magnetic Telegraph,” <u>JEH</u> 52 (June 1992), pp. 401-13. § R. Fogel, <i>Railroads and American Economic Growth</i>, remainder of book § [J] R. Fogel, “Notes on the Social Savings Controversy,” <u>JEH</u> 39 (March 1979), pp. 1-54. § D.J. Puffert, “The Standardization of Track Gauge on North American Railways, 1830-1890,” <u>JEH</u> 60 (December 2000), pp. 933-60.</p>
<p>April 22, April 24</p>	<p>11. The Macroeconomy: Volatility, the Great Depression and its Legacy <i>What caused the Great Depression and what ended it? Was the New Deal a “defining moment” for the U.S. economy? Has fiscal policy of the post-World War II era served to stabilize the economy in terms of GNP, industrial production, and unemployment?</i></p> <ul style="list-style-type: none"> ○ <u>A&P</u>, chaps. 21, 22. • M. Friedman & A.J. Schwartz, “The Great Contraction,” in <i>Monetary History of the U.S.</i> (Princeton, 1962), pp. 299-332, (pp. 332-419 optional). • [J] C. Romer, “The Nation in Depression,” <u>JEP</u> 7 (Spring 1993), pp. 19-39. • [J] C. Romer, “Changes in Business Cycles: Evidence and Explanations,” <u>JEP</u> (Spring 1999), pp. 23-44. ○ [J] C. Romer, “New Estimates of Pre-War GNP and Unemployment” <u>JEH</u> 46 (June 1986), pp. 341-52. ○ [L] M. Bordo, C. Goldin, & E. White, “The Defining Moment Hypothesis: The Editors’ Introduction,” <i>The Defining Moment</i> (Chicago, 1998), pp. 1-20. <p>§ [J] C. Romer, “The Prewar Business Cycle Reconsidered: New Estimates of GNP, 1869-1908,” <u>JPE</u> 97 (Feb. 1989), pp. 1-37. § [J] C. Romer, “Spurious Volatility in Historical Unemployment Data,” <u>JPE</u> 94 (Feb. 1986), pp. 1-37. § [J] N. Balke & R. J. Gordon, “The Estimation of Prewar GNP: Methodology and New Evidence,” <u>JPE</u> 97 (Feb. 1989), pp. 38-91. § [J] S. Allen, “Changes in the Cyclical Sensitivity of Wages in the U.S., 1891-1987,” <u>AER</u> 82 (March 1992), pp. 122-140. § [J] C. Hanes, “The Development of Nominal Wage Rigidity in the Late Nineteenth Century,” <u>AER</u> 83 (Sept. 1993), pp. 732-56.</p> <p><u>Great Depression:</u> § [J] C. Romer, “What Ended the Great Depression?” <u>JEH</u> 52 (Dec. 1992), pp. 757-84. § L. Chandler, <i>America's Greatest Depression, 1929-1941</i> (Harper & Row, 1970). § [J] B. Bernanke, “Nonmonetary Effects of the Financial Crisis in Propagation of the Great Depression,” <u>AER</u> 73 (June 1983), pp. 257-76.</p>

	§ P. Temin, <i>Did Monetary Forces Cause the Great Depression?</i> (Norton, 1976).
April 29, May 1	<p>12. Growth of Government <i>What determines the size of government and what are the limits to social spending? What explains American exceptionalism with regard to social spending and what is its relationship to "American Exceptionalism" in the labor movement and generally?</i></p> <ul style="list-style-type: none"> ○ A&P, chap. 23. • [L] J.J. Wallis, "American Government Finance in the Long Run: 1790 to 1990," <u>JEP</u> (Winter 2000), pp. 61-82. • [L] P. Lindert, "The Rise of Social Spending: 1880-1930," <u>EEH</u> 31 (Jan. 1994), pp. 1-37. <p>§ R. Higgs, <i>Crisis and Leviathan</i> (Oxford, 1987), chaps. 2 and 4. § P. Lindert, "What Limits Social Spending?" <u>EEH</u> 33 (Jan. 1996): 1-34. § P. Fishback & S. Kantor, "The Adoption of Workers' Compensation in the United States, 1900-1930," <u>JL&E</u> (Oct. 1998), pp 305-41. § [J] S. Kantor & P. Fishback, "Precautionary Saving, Insurance, and the Origins of Workers' Compensation," <u>JPE</u> (April 1996), pp. 419-42. § R. Higgs, "Crises, Bigger Government, and Ideological Change: Two Hypotheses on the Ratchet Phenomenon," <u>EEH</u> 22 (Jan. 1985), pp. 1-28. § [J] J. Hannon, "The Generosity of Antebellum Poor Relief," <u>JEH</u> 44 (Sept. 1984), pp. 810-21.</p>