
Economics 183

DEVELOPMENT OF ECONOMIC INSTITUTIONS IN THE UNITED STATES

Fall 2012 • Tuesday, Thursday 9:30-10:45 or 11:00-12:15 • Royce 190

Professor Leah Boustan

Course Description:

We will apply economic theory and quantitative reasoning to understand how the United States emerged as a world economic leader over the 20th century. Among other topics, we will consider the roles of natural resource abundance, transportation improvements, the advent of mass production and big business, and the early and widespread availability of public education. We will also discuss some of the problems that the nation faced as it grew, including slavery and economic inequality.

Reading Materials:

In this class, we will read original research articles written by economic historians. All reading is available electronically. Links to articles, either in on-line journals or as PDFs, are provided on the class website.

****Important note**** In order to access the electronic reading from an off-campus computer, you will need to configure your computer using the Bruin On-Line proxy server. You can read about this process here: <http://www2.library.ucla.edu/service/1997.cfm>. Please use these help resources to answer questions about the process: by phone at (310)-267-HELP; by email at consult@ucla.edu; or in person at the Bruin On-Line office in Kerckhoff Hall, Suite 124. I will ***not*** answer questions about this process.

Lab Sections:

Lab lectures take place on Thursday from 3:00-3:50 (Lecture 1) or from 4:00-4:50 (Lecture 2) in Bunche 2209A. Each student has also been assigned a lab section to meet on Fridays in the Public Affairs computer labs (either 2400A or 2035B). Lab lectures will introduce the computing and statistical methods necessary to complete the lab assignments. Lab sections provide time with a teaching assistant to begin lab assignments and to present results (when applicable).

**** Important note**** All questions about the lab material must be posted on the course discussion forum. You can find the discussion board on the website for the lab class ECON183L-1: <https://classes.sscnet.ucla.edu/mod/forum/view.php?id=195118>

The TAs will monitor the discussion forum on Wednesday and Thursday night. Neither the TAs nor I will respond to questions by email unless the question has first been posted on the forum.

Evaluation:

- **Assignments:** There will be six lab assignments due over the course of the quarter. The assignment schedule is included on page 4 of the syllabus. In addition, every student will give one in-class presentation of empirical results related to one of the lab assignments.
- **Exams:** The midterm exam will take place in class on November 1st. The midterm will cover all lecture material, readings and lab material assigned up through and including October 30th. A midterm review will be conducted in the lab lecture time slot on October

25th. The final exam will be cumulative and will be held on either Monday, December 10th from 11:30am-2:30pm (Lecture 1) or on Thursday, December 13th from 3:00pm-6:00pm (Lecture 2). Students must take the final exam with their assigned lecture unless permission has been otherwise granted.

Grading:

- Lab assignments: 25% (each assignment, including presentation = 3.5%)
- Midterm: 30%
- Final: 45%

A note on academic honesty:

In fairness to students who put in an honest effort, cheating will be taken extremely seriously. Suspected incidents will be referred automatically to the Dean of Students. In other words, there will be no negotiations over receiving an “in-house” penalty.

Office Hours:

Tuesdays and Thursdays: 2:00 - 2:50 PM
Or by appointment

9262 Bunche Hall
Email: lboustan@econ.ucla.edu

Economics 183 Course Summary

Part I***Questions and Tools***

- Sept. 27 Lecture 1 Why isn't the whole world developed?
Oct. 2 Lecture 2 Growth accounting
Oct. 4 Lecture 3 An application to natural resources

Part II***Building a Labor Force***

- Oct. 9 Lecture 4 Age of Mass Migration
Oct. 11 Lecture 5 Economics of slavery
Oct. 16 Lecture 6 Black economic outcomes after emancipation
Oct. 18 Lecture 7 The sanitary revolution and improvements in longevity

Part III***Industrialization and Capital Formation***

- Oct. 23 Lecture 8 Tying the nation together: Waterways, canals and railroads
Oct. 25 Lecture 9 First and second industrial revolution
Oct. 30 Lecture 10 Economic activity in cities
Nov. 1 ***MIDTERM***

Part IV***The Business Cycle Intrudes***

- Nov. 6 Lecture 11 The great merger movement (1895-1905)
Nov. 8 Lecture 12 Stock market crash of 1929 and bank panics
Nov. 13 Lecture 13 The role of the gold standard in prolonging the Great Depression
Nov. 15 Lecture 14 The New Deal and the welfare state

Part V***Human Capital: Education, Returns to Skill and Inequality***

- Nov. 20 Lecture 15 The high school movement and women's employment
Nov. 27 Lecture 16 From the golden age of productivity to the productivity slowdown
Nov. 29 Lecture 17 Returns to skill and the fall and rise of income inequality

Part VII***Developing California***

- Dec. 4 Lecture 18 Gold and water: A tale of two cities
Dec. 6 **NO CLASS**
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Economics 183 Lab Summary			
	<i>Lab lecture</i>	<i>Lab session</i>	<i>Assignments due</i>
Sept. 27-28	Review of Excel; Using Stata I	Begin Sokoloff	
Oct. 4-5	Using Stata II	Begin Nunn	Sokoloff due
Oct. 11-12	Data for longitudinal studies	Begin P & G	Nunn due
Oct. 18-19	Presentation skills	Begin immigration	P& G due
Oct. 24-25	<i>Midterm review</i>	Present immigration	Immigration due
Nov. 1-2	Using Social Explorer	Begin Social explorer	
Nov. 8-9	Using Census data	Present Social Exp	Social explorer due
Nov. 15-16	Inequality measures	Begin inequality	
Nov. 29-30	<i>Final review</i>	Finals preparation	Inequality due

Assignments due = Pass in written work to teaching assistant in lab section on Friday as designated

Economics 183 Reading List	
Part I	<i>Questions and Tools</i>
Sept. 27-Oct. 4	<ul style="list-style-type: none"> • K. Sokoloff and S. Engerman, "Institutions, Factor Endowments, and Paths of Development in the New World," <i>Journal of Economic Perspectives</i>, 2000, p. 217-32. • N. Nunn, "The Historical Origins of Africa's Underdevelopment," Voxu.org, 8 December 2007.
Part II	<i>Building a Labor Force</i>
Oct. 9-18	<ul style="list-style-type: none"> • W. Sundstrom, "African Americans in the U.S. Economy Since Emancipation," Leavey School of Business Working Paper #11-09. • R. Abramitzky, L. Boustan and K. Eriksson, "Productivity and Migration: New Insights from the 19th Century." Voxeu.org, 18 February 2010.
Part III	<i>Industrialization and Capital Formation</i>
Oct. 23-30	<ul style="list-style-type: none"> • R. Fogel, <i>Railroads and American Economic Growth</i>, (Johns Hopkins, 1964), p. 1-16, 207-28. • E. Glaeser, <i>Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier</i>, (Penguin, 2011), p. 43-49, 97-101.
Part IV	<i>The Business Cycle Intrudes</i>
Nov. 6-15	<ul style="list-style-type: none"> • N. Lamoreaux. <i>The Great Merger Movement in American Business, 1895-1904</i>, (Cambridge, 1985), p. 1-13, 46-86. • B. Eichengreen and K. O'Rourke, "A Tale of Two Depressions: What Do the New Data Tell Us?" Voxeu.org, 8 March 2010. (Start at "Start of Original Column" at middle of page; then work back) • B. Eichengreen, K. O'Rourke, M. Almunia, A. Benetrix and G. Rua, "The Effectiveness of Fiscal and Monetary Stimulus in Depressions," Voxeu.org, 18 November 2009.
Part V	<i>Human Capital: Education, Returns to Skill, Inequality</i>
Nov. 20-29	<ul style="list-style-type: none"> • C. Goldin and L. Katz. <i>The Race Between Education and Technology</i>. (Harvard, 2008), p. 1-30, 194-210. • R. J. Gordon, "Does New Economy Measure Up to the Great Inventions of the Past?" <i>Journal of Economic Perspectives</i>, 2000, p. 49-74. • J. Stiglitz, "The Book of Jobs," <i>Vanity Fair</i>, January 2012.