

**Economics 523**  
**Economic History and Development**  
**Spring 2013**

Thurs. 2-4:50 p.m., KAP 148  
Richard A. Easterlin  
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Key Dates

First hour exam      02/28/13  
Second hour exam    04/11/13  
Final exam            05/09/13

Course description: An interdisciplinary inquiry into the nature, origins, causes and effects of the worldwide change in human welfare since 1800. The course covers both today's developed and developing countries, and draws on economic history, demography, statistical data, and nonmathematical microeconomic theory to establish and interpret the historical record and to evaluate theories of the factors responsible for the improvement in various dimension of human welfare since 1800.

Topics

Introduction: Human well-being

Part One: Economic Change

- I. Premodern economic conditions and trends
  - A. Economic epochs
  - B. International expansion, 1500-1750
  - C. Revolution or evolution?
- II. The epoch of modern economic growth
  - A. Changes in production (factor inputs, scale, technology, growth accounting)
  - B. Structural change (resource allocation, income distribution, subjective well-being)
  - C. Economic crises
  - D. Transition from Socialism to Capitalism
  - E. International aspects

Part Two: Social and Political Change

- I. Premodern demographic conditions
- II. The mortality revolution
- III. The decline of fertility
- IV. Long-term effect of population growth on economic growth
- V. Sex roles and women's status
- VI. Education
- VII. Political democracy and economic growth

Part Three: Explanations and Projections

- I. Interpretations
- II. The future

Requirements: The final grade is based on two midterm exams and a final, each comprising 1/3 of grade.

Required materials:

(E) Easterlin, Richard A., Growth Triumphant: The Twenty-first Century in Historical Perspective, Ann Arbor, MI: University of Michigan Press, 1996.

(B) Blackboard (<https://blackboard.usc.edu/>), Class Documents

To log in use the same username and password you use for your USC e-mail account.

You will have to be connected to the USC network to access some of the papers (look at the ISD website to see how you can access the USC network when you are off-campus). Contact Haojun

(haojun.yu@gmail.com) if you have any problems using blackboard.

(R) Course Reader available at USC Bookstore

## READING ASSIGNMENTS

### INTRODUCTION: HUMAN WELL-BEING

- 1/17 (B) Easterlin, Richard A., “The Worldwide Standard of Living since 1800,” *Journal of Econ. Perspectives*, 14:1 (Winter), 2000, 7-26.  
 (B) Blanchflower, David, “International Evidence on Well-Being”, pp. 5-6.  
 (B) Easterlin, Richard A. and Angelescu, L. “Modern Economic Growth and Quality of Life: Cross-Sectional and Time Series Evidence” in Kenneth C. Land (ed.) *Handbook of Social Indicators and Quality of Life Research*, New York and London: Springer, forthcoming.  
 (B) Easterly, William, “Life During Growth.” *Journal of Economic Growth*, 4:3, Sept, 1999.

### Part One: ECONOMIC CHANGE

#### I. Premodern Economic Conditions and Trends

- 1/24 (B) Cipolla, The Economic History of World Population (Penguin, 1974, 6th ed.), chs. 1, 2.  
 (E) ch. 2, pp. 15-18.  
 (R) Diamond, Jared, Guns, Germs, & Steel, NY: WW Norton, Prologue, pp. 13-17, 28-32, 405-408.  
 (B) Smith, Vernon, “Economic Principles in the Emergence of Humankind,” *Economic Inquiry*, XXX (Jan. 1992), pp. 1-13, passim.  
 (B) Boserup, E. *Women’s Role in Economic Development*. London: Unwin, 1970, ch. 1, esp. pp. 31-35.  
 (B) Rostow, Walt W., “The Stages of Economic Growth,” *Economic History Review*, 2nd series, XII:1 (1959), pp. 1-16.

#### II. The Epoch of Modern Economic Growth

##### 1/24 A. Changes in production

##### 1. Factor inputs, scale, technology

(E) ch. 2, esp. pp. 18-23, and Appendix A, pp. 157-160.

(B) Devine, Warren D. “From Shafts to Wires: Historical Perspective on Electrification” *Journal of Economic History*, 43:2 (June 1983).

**1/31 2. Growth accounting**

(B) Maddison, Angus, *Monitoring the World Economy 1820-1992*, Paris: OECD, 1995, ch. 1, 2, esp. pp. 40-48 (growth accounting).

(R) Fishlow, Albert, "Productivity and Technological Change in the Railroad Sector," *Conference on Research in Income and Wealth, Output, Employment and Productivity in the United States after 1800*. New York: Columbia University Press, 1966, pp. 583-584, 626-646.

(B) Bruni, L., "Internal Economies of Scale with a Given Technique," *Journal of Industrial Economics*, XII (July 1964), pp. 175-190.

(R) Krugman, Paul, "The Myth of Asia's Miracle," *Foreign Affairs*, 73:6 (Nov./Dec. 1994), 62-78.

(B) Bosworth, Barry and Susan M. Collins, "Accounting for Growth: Comparing China and India," *Journal of Economic Perspectives*, 22(1), Winter 2008, pp. 45-66.

(B) Easterlin, Richard, A. "Ignorance of History is No Excuse", pp. 1-7.

**2/7, 2/14 B. Structural change****1. Resource allocation, income distribution**

(E) pp. 1-7, ch. 4

(B) Kanbur, Ravi and Lyn Squire, "The Evolution of Thinking about Poverty: Exploring the Interactions" in Gerald M. Meier and Joseph E. Stiglitz (eds.) *Frontiers of Development Economics: The Future in Perspective*, 2001, Washington DC: World Bank/Oxford University Press, pp. 191-194.

(B) Kaelble, H. and Thomas, M. 1991. "Introduction" in Brenner, Y.S., Kaelble, H. and Thomas, M. (eds.) *Income Distribution in Historical Perspective*, pp 55-56 and Table 1.2 (pp. 52, 53).

**2/21 C. Economic Crises**

(B) Jovanovic, Boyan and Peter L. Rousseau, "General Purpose Technologies" in Philippe Aghion and Steven N. Durlauf (eds.) *Handbook of Economic Growth*, 2005, Boston: Elsevier, pp. 1181-1224.

(R) Schön, Lennart, "Industrial Crises in a Model of Long Cycles: Sweden in an International Perspective," mimeo.

(B) Easterlin, Richard A., "Locational Restructuring and Financial Crises," *Structural Change and Economic Dynamics*, 11 (2000), pp. 129-138.

**2/21 D. Transition from Socialism to Capitalism**

(B) Easterlin, Richard A., "Lost in Transition: Life Satisfaction on the Road to Capitalism", 2009, *Journal of Economic Behavior & Organization*, Elsevier, vol. 71(2), pages 130-145.

(B) Easterlin, Richard A., Robson Morgan, Malgorzata Switek, and Fei Wang, "China's Life Satisfaction, 1990-2010", *Proceedings of the National Academy of Sciences*, ISSN 0027-8424, 06/2012, Volume 109, Issue 25, pp. 9775-9780.

**2/28 FIRST HOUR EXAM**

## E. International aspects

### 3/7 1. International economic relations

(E) ch. 3

### 3/14 2. Spread of modern economic growth

(R) Habakkuk, H.J. and M. Postan, *The Cambridge Economic History of Europe, Vol. VI. The Industrial Revolution and After: Incomes, Population, and Technological Change. Part I* Cambridge: Cambridge University Press, 1965, ch. 1, "The Growth of National Incomes," by W.A. Coale and Phyllis Deane, *passim*.

(B) Reynolds, Lloyd, "The Spread of Economic Growth to the Third World," *Journal of Economic Literature* XXI:3 (Sept. 1983), pp. 941-980, *passim*.

(B) Hymer, Stephen H. and Stephen A. Resnick, "International Trade and Uneven Development," in J.N. Bhagwati, et al., ed., *Trade, Balance of Payments and Growth*, ch. 21.

(B) Kravis, Irving B., "Trade as a Hand-maiden of Growth: Similarities between the Nineteenth and Twentieth Centuries," *Economic Journal*, LXXX (Dec. 1970), pp. 850-872.

(E) ch. 5.

## 3/18-22 RECESS

### Part Two: SOCIAL AND POLITICAL CHANGE

### 3/28 I. Premodern demographic conditions

(B) Cipolla, Carlo, *The Economic History of World Population* (1974), ch. 4 (Births and Deaths).

#### II. The mortality revolution

(E) ch. 6.

(R) Schofield, R., D. Reher, and A. Bideau, *The Decline of Mortality in Europe*, (Oxford, 1991), ch. 1 by Schofield and Reher, "The Decline of Mortality in Europe."

(R) Preston, Samuel H., "The Changing Relation Between Mortality and Level of Economic Development," *Population Studies* 29:2 (July 1975).

(B) Easterlin, Richard, *The Reluctant Economist: Perspectives on Economics, Economic History, and Demography*. Cambridge University Press (2006), ch. 6,7.

(B) Anand, Sudhir and Martin Ravallion, "Human Development in Poor Countries: On the Role of Private Incomes and Public Services," *Journal of Economic Perspectives*, 7:1 (Winter 1993), pp. 133-50.

(B) Lant Pritchett and Lawrence H. Summers, "Wealthier is Healthier," *Journal of Human Resources*, University of Wisconsin Press, vol. 31:4, (1996), pp. 841-868.

### 4/4 III. The decline of fertility

(E) ch. 8

(R) United Nations, "World Population Prospects: The 1998 Revision," V. III, *Analytical Report*, NY: United Nations, 2000, 11-24.

(B) Edlund, Lena, Hong bin Li, Junjian Yi, and Junsen Zhang, "More Men, More Crime: Evidence from China's One-Child Policy", December 2007, *IZA Discussion Paper* No. 3214.

#### IV. Long-term effect of population growth on economic growth

(E) ch. 7, 9

(B) Barlow, R., "The Economic Effects of Malaria Eradication," *American Economic Review* LVII:2 (May 1967), pp. 130-148.

#### 4/11 SECOND HOUR EXAM

#### 4/18 V. Sex roles and women's status

(B) Boserup, E., *Women's Role in Economic Development*. London: Unwin, 1970, ch. 1 (review), ch. 2, esp. p. 51.

(R) Blake, Judith, "The Changing Status of Women in Developed Countries," *Scientific American* 231:3 (Sept. 1974), pp. 137-147.

(B) Forsythe, Nancy, Roberto Patricio Korzeniewicz, Valerie Durrant, "Gender Inequalities and Economic Growth: A Longitudinal Evaluation," *Economic Development and Cultural Change*, 48:3 April, 2000, 573-617.

(R) Skard, Torild and Elina Haavid-Mannila, "Equality between the Sexes – Myth or Reality in Norden?" *Daedalus*, 113(I), (Winter 1984), pp. 141-167.

#### VI. Education

(B) Easterlin, Richard A. (1981). "Why Isn't the Whole World Developed," *Journal of Economic History* (XLI:1), pp. 1-19.

(R) Counts, George S., "Education: History," *Encyclopedia of the Social Sciences* 5 (New York: Macmillan, 1931), pp. 403-14.

(B) Inkeles, Alex, "Making Men Modern: On the Causes and Consequences of Individual Change in Six Developing Countries," *American Journal of Sociology*, 75 (Sept. 1969), pp. 208-225.

#### VII. Political Democracy and Economic Development

(B) Barro, Robert J., *Determinants of Economic Growth*. Cambridge, MA: MIT Press, 1997, ch. 2 (pp. 49-87).

(B) Huntington, Samuel, *The Third Wave*. Norman, OK: Univ. of Oklahoma Press, 1991, chs. 1, 2, *passim*.

(B) Rodrik, Dani, *One Economics Many Recipes: Globalization, Institutions, and Economic Growth*, 2007, Princeton, NJ: Princeton University Press, pp. 168-183.

(B) Easterlin, Richard, "Cross Sections Are History" *Population and Development Review*, (forthcoming).

### Part Three: EXPLANATIONS

#### 4/25 I. Interpretations

(R) North, Douglass C., "The Ultimate Sources of Economic Growth," in A. Szirmai, B. Van Ark, and D. Pilat, *Explaining Economic Growth*. Elsevier Science, 1993, pp. 65-76.

(R) Ginzburg, Benjamin, "Science," in E.R.A. Seligman, ed., *Encyclopedia of the Social Sciences*, vol. 13 (New York: Macmillan, 1934), pp. 591-602.

(R) Lindberg, David C., *The Beginnings of Western Science*. Chicago: University of Chicago Press, 1992, ch. 14, pp. 355-368, passim.

(E) ch. 2.

(B) Mokyr, Joel (2005). "The Intellectual Origins of Modern Economic Growth". *The Journal of Economic History*, 65:2, especially pp. 285-297, 322-343.

(R) Diamond, Jared [see part I, sect. I].

## 5/2 II. The future

(E) chs. 1, 10, 11.

(R) Coates, Joseph, "The Next Twenty-five Years of Technology: Opportunities and Risks," Ch. 2 in OECD, *21<sup>st</sup> Century Technologies*. Paris: OECD, 1998, pp. 33-46.

(B) Easterlin, Richard A., Laura Angelescu McVey, Onnicha Sawangfa, Malgorzeta Switek, and Jacqueline Zweig (2010), "The Happiness Income Paradox Revisited", *Proceedings of National Academy of Sciences of United States of America*.

(B) Easterlin, Richard A., "Happiness, Growth, and Public Policy", *Economic Inquiry*, Forthcoming January 2013. Presidential Address to Western Economic Association International, July 1, 2012.

**FINAL EXAM, Thursday, May 9, 2-4 pm**