

ST. JOHN'S UNIVERSITY
NEW YORK

THE PETER J. TOBIN COLLEGE OF BUSINESS

Department of Economics
Undergraduate Division

SYLLABUS

Economic History of the Western Community
ECO 1326-0, Spring 2013
Thursday, 7:10-10 pm, SJH 211

Cameron M. Weber
cameron_weber@hotmail.com (please use this email only)
website: cameroneconomics.com
Office Hours: 5-7 pm, Thursdays, Bent Hall Rm. 139

DEPARTMENT

Economics and Finance

COURSE NAME

Economic History of the Western Community

COURSE NUMBER

ECO 1326

COURSE DESCRIPTION

A survey of socio-economic formations and changes in the organization of economies over time. Special focus on the Industrial Revolution and the diffusion of technological knowledge in newly-industrializing countries; the role of trade in economic growth; and the two-way relationship between population changes and economic change.

CREDIT

3 Credits

OBJECTIVES OF THE COURSE

1. To understand and appreciate the process of historical change, and the emergence and development of different economic organizations, in order to become aware of their implications for social and economic organization in different parts of the world. Although the major focus of the course is the "western" economic system, comparisons with Eastern European and Asian developments are also made. (This objective meets the need for a global perspective.)
2. In particular, to describe the development of a capitalist economic system in order to provide the real life background for the application of modern economic theory and analysis. (This objective meets the needs for critical thinking and analysis.)

3. To develop the comprehension and communication skills associated with logical reasoning, by analyzing the causes and effects of historical developments, and reporting on them. (This objective meets the needs for analytical thinking and communications skills.)
4. To appreciate the interactions and complexity of different socio-economic formations, and to become aware of the continuing evolution of present economic arrangements by understanding past developments. (This objective meets the needs for developing the ability to recognize change, and to apply a values orientation.)

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| Assigned Readings | 30 Hours |
| Examination Preparation | 25 Hours |
| Group Project | 30 Hours |
| Review & Preparation for class | 15 Hours |

Main required text

Rondo Cameron and Larry Neal, *A Concise Economic History of the World*, Oxford University Press, 4th ed., 2003 (or any edition). Students are expected to read this entire text for the semester, approximately one chapter per week.

Optional Texts

F.A. Hayek, *Capitalism and the Historians*, University of Chicago [1954], any edition.

Cameron Weber, *Economics for Everyone, Second Edition*, Cameron Weber Publishing, 2010 This is only recommended if you need or would like a review of introductory micro and macro classes.

Instructor lecture notes for ECO1326, available from Instructor's cameroneconomics.com, "teaching" page, available under the ECO1326 course section on the webpage.

Much of our lectures will be taken from the lecture notes, it is therefore advisable that you read them and ask questions in class as needed for points of clarification.

COURSE SCHEDULE

The following represents the schedule of topics as planned, we may deviate from this schedule and specific topics depending upon on the needs of the class, though all exams, quizzes and class presentation schedules will not be changed.

TOPICS

READINGS (main text)

I. Theories of Economic History, and, Precapitalist Economies

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| 1. Introduction to Economic History Definitions and Concepts | Ch. 1 Instructor Lecture Notes |
| 2. Feudalism and the Manorial System Economic organization in the Roman Empire; emergence of feudalism; trade and towns in the late feudal period; Italian banking | Ch. 2, 3 |
| 3. Non-Western Economies on Eve of Western Expansionism; post-Roman empires, Africa, Latin America, Asia | Ch. 4 |

II. The Transition (Early Modern) Period

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| 4. Agriculture and the Agricultural Revolution Enclosure and land redistribution in England; technological changes; impact on rural societies | Ch. 5 |
| 5. Mercantilism: state and economy building Early policy-making; mercantilist philosophy; expansion of trade and colonization, Film: <i>Marie Antoinette</i> (if time) | Ch. 6 |

III. The Industrial and Commercial Revolutions

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| 6. Industrialization in Britain Importance of transportation; textile industry; rail building; free trade and laissez-faire | Ch. 7, 8, 11 |
| 7. Industrialization in France, Germany, Rest of Europe Contrasting patterns of industrialization; political implications of developing nation-states | Ch. 9, 10, 11 |
| 8. Industrialization in the United States Importance of resource endowment; impact on slavery in the South; mass production; importance of immigration | Ch. 9, 11 |

IV. Development of a Global (Modern) Economy

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| 9. Characteristics of capitalism Factory system; urbanization; resistance to industrialization; development of the corporate structure; unionization; financial markets | Ch. 12,13 |
| 10. Trade rivalry; imperialist colonization; gold standard | Ch. 12, 13 |
| 11. Disintegration of the International Economy World War I; retreat to isolationism; Great Depression | Ch. 14 and supplementary material |
| 12. Integration of the International Economy World War II; post-war reconstruction; European integration; macroeconomic policymaking; Bretton Woods System, Film: <i>Atlas Shrugged</i> (if time) | Ch. 15 |
| 13. Twenty-First Century Economy Collapse of USSR, evolution of EU, India and China, Financial crisis of 2007 and Great Recession (if time) | Ch. 16 and supplementary material |
| 14. Group Research and Presentations | |
| 15, 16. Final Exam and Review of Final Exam | |

GRADING SCHEDULE

Evaluation of student performance is based on a combination of quizzes, group research project and presentation, and written and oral objectives (including class discussion), in order to provide students with as comprehensive a base for assessment as possible.

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| Midterm Exam | 20% |
| In-Class Quizzes | 15% |
| Final Exam | 30% |
| Class Participation | 15% |
| Group Project and Presentation | <u>20%</u> |
| | 100% |

First Day of Class: January 24, 2013

Quiz I: February 14

Spring Break (no class): February 28

Midterm Examination: March 14

Self-selected groups and topics due: March 14

Midterm Grades due: March 16

Quiz II: March 21

Remaining groups and topics for presentation assigned by Instructor: March 21

Easter Holiday (no class): March 28

Last day to withdraw from class or apply for Pass/Fail option: April 10

Group presentations: April 18 and 25

Final Examination: May 2

Review of Final Examination: May 15 (Wednesday)

Class Participation (15% of grade): In order to get an “A” for this you need to participate in class discussion. This can be by raising points of clarification on the lectures or by contributing to the lectures based on your reading of the main text or other references. There will also be an in-class group project (which will be introduced and discussed by the Instructor in the class period prior to the project) which will contribute to this class participation grade. In addition class attendance is part of this grade. It is important to participate in class discussion as this is 15% of your grade.

Exams (50% of grade): Both the Midterm and Final examinations will be 25 multiple choice and true/false questions, there will not be any specific review sessions for the exams, so as a topic is presented in class that you do not understand or would like more information on, you should ask questions. There are no “dumb” questions (no doubt one or more of your classmates will have the same question) and this adds to class discussion and to your class participation grade. The final exam is cumulative, as is economic history, but with greater weight on material covered after the midterm. We will review both the midterm and final exams in class after the class period after the exam is given.

Quizzes (15% of the class grade): Both quizzes will be a short answer essay and may include the use of Supply and Demand graphs showing results of government intervention into the market under the theory of welfare economics. Quizzes will be given the last 30 minutes of the class period. You will be given two or three questions, and will choose one of the questions to answer. We will review each quiz the class period after the quiz is given. You will also be given a list of potential quiz topics the class before the quiz is to be given to help in studying for the quiz.

Group Presentations (20% of the class grade): See the Instructor’s website “teaching” page for detailed information on the class group project and some suggested topics for presentation.

CLASS RULES

There will be no cellphone or txt use during class, computers (and smart phones etc.) are acceptable if they are used to do research in order to participate in class discussion and/or to take notes in class. There will be no prolonged “side discussions” tolerated during class as they distract from the learning of others. Anyone who persists in disrupting the class will be asked to leave the classroom. There will be no make-up exams, quizzes, or class presentations unless the student can provide a verifiable medical or emergency reason. There are no “extra-credit” opportunities.

If emergencies arise, it is expected that you will meet with the instructor during office hours or by appointment to work-out a realignment of the grading protocol, including providing verifiable documentation for emergency-based missed deadlines. There will be no realignment of the grading protocol for any student

unless it is due to an unforeseen emergency or if the student arranges a realignment of the grading protocol with the instructor ahead of time, such as religious holiday or planned medical treatment, etc. It is St. John's policy that any student missing 3 classes without a valid excuse can be dropped from the class. It is therefore crucial that you communicate with the Instructor related to any missed classes, preferably ahead of any missed class. Waiting to the end of the semester to deal with any class attendance problems is not advisable as it is unfair to those students who have been participating in class throughout the semester.

BIBLIOGRAPHY

Economic History

Jeremy Attach and Larry Neal, *The Origins and Development of Financial Markets and Institutions: From the Seventeenth Century to the Present*, Cambridge University Press, 2009.

Fernand Braudel, *Civilization and Capitalism, 15th to 18th Centuries*, (3 vols.), Harper & Row, 1979.

Jurgen Brauer and Hubert Van Tuyll, *Castles, Battles & Bombs: How Economics Explains Military History*, University of Chicago, 2008.

Ron Charnow, *House of Morgan*, Atlantic Monthly Press, 1990.

Jared Diamond, *Guns, Germs and Steel: A short history of everybody for the last 13,000 years*, Vintage, 2005 [1997].

Niall Ferguson, *The Ascent of Money: A Financial History of the World*, Penguin Press, 2008.

James R. Fichter, *So Great a Proffit: How the East Indies Trade Transformed Anglo-American Capitalism*, Cambridge: Harvard University, 2012.

David Galenson, *Markets in History*, Cambridge University Press, 1989.

Alexander Gershenkron, *Economic Backwardness in Historical Perspective*, Praeger, 1965.

Robert L. Heilbroner and Will Milberg, *The Making of Economic Society*, (any edition, 12th Edition 2007 paperback), Prentice Hall.

E.K. Hunt, *Property and Prophets*, (any edition, [1975]), Halper & Row.

Charles Kindleberger, *A Financial History of Western Europe*, (any edition, 2nd edition 1993), Oxford University Press.

David S. Landes, Joel Mokyr and William J. Baumol, *The Invention of Enterprise: Entrepreneurship from Ancient Mesopotamia to Modern Times*, Princeton University 2010.

Sylvia Nassar, *Grand Pursuit: The Story of Economic Genius*, Simon & Shuster, 2011.
Guinevere Liberty Nell, *Rediscovering Fire: Basic Lessons from the Soviet Experiment*, Algora Press, 2010.

Douglass North and Robert Paul Thomas, *The Rise of the Western World: A New Economic History*, Cambridge University Press, 1973 (reprinted).

Douglass North, John J. Wallis and Barry R. Weingast, *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*, Harvard University, 2010.

Uriel Procaccia, *Russian Culture, Property Rights, and the Market Economy*, Cambridge University Press, 2007.

Carmen M. Reinhart and Kenneth S. Roggoff. *This Time is Different: Eight Centuries of Economic Folly*, Princeton University, 2009.

Nathan Rosenberg and L.E. Birdzell, *How the West Grew Rich: The Economic Transformation Of The Industrial World*, Basic Books, 1986.

Vera Smith, *The Rationale for Central Banking and the Free Banking Alternative*, 1934, reprinted by Liberty Fund, available
<http://www.econlib.org/library/LFBooks/SmithV/smvRCB.html>.

Works of Fiction, Film and Youtube.com

Charles Dickens, *Bleak House*, 1853 (any edition), available,
<http://www.worldwideschool.org/library/books/lit/charlesdickens/BleakHouse/Chap0.html>.

Leo Tolstoy. "How Much Land Does a Man Need" (short story), 1886, any edition, available,
<http://www.katinkahesselink.net/other/tolstoy.html>.

Atlas Shrugged, Part One (film), 2011, Produced by John Agliatoro and Directed by Paul Johansson

Spartacus (film), 1960, directed by Stanley Kubrick.

There Will Be Blood (film), 2007, directed, written and produced by Paul Thomas Anderson.

Marie Antoinette (film), 2006, written and directed by Sofia Coppola.

Charlie and the Chocolate Factory (film), 2005, directed by Tim Burton.

Modern Times (excerpt), Charlie Chaplin in the factory, 1936,
<http://www.youtube.com/watch?v=DfGs2Y5WJ14>

Milton Friedman “On Greed” http://www.youtube.com/watch?v=RWsx1X8PV_A

“Fear the Boom and Bust” <http://www.youtube.com/watch?v=d0nERTFo-Sk>

“Fight of the Century”, Keynes v. Hayek Part II, <http://www.youtube.com/watch?v=GTQnarzmTOc>

“Quantitative Easing Explained” <http://www.youtube.com/watch?v=PTUY16CkS-k>

George Selgin “100 Years: Has the Fed Been a Failure?”
<http://www.youtube.com/watch?v=yLynuQebyUM>

“Hayek on Keynes” <http://www.youtube.com/watch?v=VqU-AZh-wqU>
 “Fight of the Century” <http://www.youtube.com/watch?v=GTQnarzmTOc>

History, Economics and Political Economy

Jeffrey Freidman, editor, *Critical Review*, Vol. 21/2-3, special edition on “Causes of the Crisis”, 2009.

Freidrich A. von Hayek, *The Road to Serfdom*, Routledge, 1944.

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<http://www.constitution.org/jl/2ndtreat.htm>

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[http://www.marxists.org/archive/marx/works/1848/communist-manifesto/.](http://www.marxists.org/archive/marx/works/1848/communist-manifesto/)

Deirdre McCloskey, *Bourgeois Towns: How Capitalism Became Ethical, 1600-1848*, pre-publication draft available: <http://www.deirdremccloskey.com/articles/bv/towns.php>.

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Thorstein Veblen, “Why is Economics not an Evolutionary Science”, 1898, available, <http://prof.mt.tama.hosei.ac.jp/~hhirano/academia/econom.htm>.

Thorstein Veblen, *Absentee Ownership in America*, 1923, (reprinted).