

New York University in Abu Dhabi
spring semester 2014

The Economic History of the Middle East

ECON-AD214X 4 credits

instructor: Professor Bob Allen
course meeting: Monday-Wednesday 11:20-12:35, DTC N212.
cross listing: Arab Crossroads
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pre-requisites: introductory microeconomics

course description

The course surveys the economic history of the middle east. Particular emphasis is placed on the Islamic Golden Age and its demise (700 CE - 1500 CE) and the encounter with imperialism from 1798 to 1950. The post-1950 period is dealt with briefly. Middle eastern history is considered in the context of the Great Divergence Debate: Why are some countries rich and others poor? In the case of the middle east, the question becomes why did the middle east slip from the pinnacle of civilization in the Golden Age to being a poor part of the world today. Is this trajectory best explained by factors peculiar to the region—in particular, did Islam somehow hold back the middle east as many scholars have contended—or was the long run path of development determined by factors common to many countries including globalization, imperialism, demography, and social organization?

teaching and learning methodologies

The course will include lectures, student presentations, and class discussions with the balance depending on class size and student backgrounds. Most of the readings are scholarly articles. They are intended to illustrate conflicting points of view and alternative methodologies. A particular focus of the course is on how to formulate general claims about historical causation as hypotheses that can be tested with data derivable from surviving records, artifacts, or archaeological sites. Simple micro economics and numerical analysis are powerful tools in formulating and testing hypotheses, and their use will be developed in the course.

assignments and grades

Students are expected to attend all class sessions (unless ill) and to read assignments before the class so that they can discuss them. Students will be asked to prepare readings to present

to class, to present points of view in debates, and to present their own research results. Class participation will count for 25% of the grade in the course.

Students will be required to undertake two guided research exercises in which they collect and analyse data using the framework of articles discussed in class. These exercises will be done with spread sheet software and do not require formal statistical analysis, although it could be used. Each paper should be 10 pages long. The first is due 3 March, and the second is due 14 April. Each exercise is worth 20% of the final grade.

The final piece of graded work will be a 15 page paper in which the student undertakes an economic analysis of some aspect of middle east history of his or her choosing or writes an assessment of some economic policy, initiative, undertaking, or institution that has shaped or been designed to change the course of middle east history. This essay will be worth 35% of the grade and is due on 12 May.

Learning outcomes

By the end of the course, students will have a clearer idea of the evolution of the middle east since the rise of Islam, and the factors that have shaped that evolution. The course aims to develop general intellectual skills to help students recast broad statements about social evolution and historical causation into researchable problems that can be addressed with social science models and empirical investigation. By studying the work of other scholars and by undertaking guided research themselves, students will develop their abilities to use simple economic analysis and spread sheet calculations to investigate hypotheses.

course materials

Most readings are available online. The following book has been ordered for students to purchase:

Charles Issawi, *An Economic History of the Middle East and North Africa*.

(* works are required reading)

Part I The Middle East in the Great Divergence Debate

1 introduction: The Middle East in the Great Divergence

What are the main themes and phases of the economic history of the middle east? Are the themes and phases of middle eastern economic history unique or are they typical of many other places?

*Charles Issawi, "The Modern Middle East in the World Context," in *The Middle East Economy: Decline and Recovery*, by the author (Princeton: Markus Wiener, 1995), pp. 1-30.

2. Life before the Industrial Revolution

What was life like in the middle east before the Industrial Revolution? How did most people support themselves? How much did they earn, what did they eat, how healthy were they?

*Read either or Palgrave:

*J.G. Taylor, "Koordistan," *Further reports from Her Majesty's diplomatic and consular agents abroad respecting the condition of the industrial classes and the purchase power of money in foreign countries*, British Parliamentary Papers, 1871, C. 414, pp. 793-828

*W. Gifford Palgrave, "Anatolia," *Ibid.*, pp. 713-30, 734-44, 747-53.

H.A.R. Gibb and Harold Bowen, *Islamic Society and the West: A Study of the Impact of Western Civilization on Moslem Culture in the Near East*, Oxford University Press, 1950, Vol. 1, pp. 235-75.

Dan Rabinowitz, "Themes in the Economy of the Bedouin of South Sinai in the Nineteenth and Twentieth Centuries," *International Journal of Middle East Studies*, Vol. 17, No. 2 (May, 1985), pp. 211-228

3 Measuring absolute poverty

What is the 'standard of living' and how can we measure it? How many calories do people need to live and work? What is the least cost way to survive, and how can we use that as the basis for comparing living standards? How does the present compare to the past, and how did different parts of the world compare to each other?

*Robert C. Allen, "Poverty Lines in History, Theory, and Current International Practice"

4 Was Islam the problem?

An endlessly arising question is whether the history of the middle east is explained by intrinsic features, usually taken to be related to Islam in some sense, or by social and economic factors that operate across all societies. Here we put the question on the table so that we can consider it as we proceed through the course.

*Kuran, T. (1997), "Islam and Underdevelopment: An Old Puzzle Revisited," *Journal of Institutional and Theoretical Economics*, 153: 41-71.

*Roger Owen, "Studying Islamic History," *Journal of Interdisciplinary History*, Vol 4:2 (Autumn 1973), 287-298.

Part II The Economics of the Golden Age

5 Population and the Economy: the Malthusian model

What is Malthus' theory of population? What are the positive and preventive checks, how do they relate to marriage patterns, and do they explain different trajectories of economic development?

6 Malthus in the middle east

How does Malthus' theory fit the history of the middle east, and what do we learn about the middle east when seen in terms of his theory?

*Pamuk, Şevket and Maya Shatzmiller (2013, forthcoming), "Prices and Wages in the Islamic Middle East, 700-1500," *Journal of Economic History*.

*Stuart J. Borsch, "Environment and Population: The Collapse of Large Irrigation Systems Reconsidered," *Comparative Studies in Society and History*, Vol. 46, No. 3 (Jul., 2004), pp. 451-468

Stuart J. Borsch (2005), *The Black Death in Egypt and England*, Austin, The University of Texas Press.

7 Agricultural Revolution

What did Watson's 'Islamic Agricultural Revolution' consist of? Why did it happen? Is Burke's critique of Watson compelling? How does the agricultural revolution interface with the Malthusian model? How did the rural and urban sectors interact? How did the revolution come undone?

Read either:

*Watson, Andrew M (1974), "The Arab Agricultural Revolution and Its Diffusion, 700-1100", *The Journal of Economic History* 34 (1): 8-35

*Richard W. Bulliet, Cotton, *Climate, and Camels in early Islamic Iran: a Moment in World History*, New York, Columbia University Press, 2009, pp. 1-41, 63-8.

Watson, Andrew M (2008) *Agricultural innovation in the early Islamic world : the diffusion of crops and farming techniques 700-1100*, Cambridge : Cambridge University Press.

Burke, E. (June 2009). 'Islam at the Center: Technological Complexes and the Roots of Modernity'. *Journal of World History*, 20 (2): 165 - 186 [174].

Frantz-Murphy, Gladys. 1981. "A new interpretation of the economic history of medieval Egypt. The Role of the textile Industry," *Journal of the Economic and Social History of the Orient*, Vol. 24/3, pp. 274-97.

8. Feudalism and Oriental Despotism

How was a surplus extracted from the agricultural sector and what was done with it? How did surplus extraction affect economic growth?

*Evsey Domar (1970), "The Causes of Slavery or Serfdom: A Hypothesis," *Journal of Economic History*, Vol. 30:1 (March), pp. 18-32.

Bent Hansen, "An Economic Model of Ottoman Egypt. The Economics of Collective Tax Responsibility," in A.L. Udovitch, *The Islamic Middle East, 1700-1900*, Princeton, The Darwin Press, Inc., pp. 473-519.

Robert C. Allen, "Agriculture and the Origins of the State in Ancient Egypt," *Explorations in Economic History*, Vol. 34, 1997, pp. 134-54.

9 Cities and Smithian Growth

What is 'Smithian growth'? Did the Abbasid Caliphate unleash it? How did urban history in the middle east compare to urban history in Europe?

*Shatzmiller, Maya (2009). "Transcontinental Trade and Economic Growth in the Early Islamic Empire: The Red Sea Corridor in the 8th-10th centuries," *Connected Hinterlands. Proceedings of Red Sea Project IV held at Southampton University, September 2008*. Oxford: Archeopress BAR, pp. 119-30.

*Bosker, Maarten, Eltjo Buringh and Jan Luiten van Zanden. 2008. "From Baghdad to London: The Dynamics of Urban Growth in Europe and the Arab world, 800-1800," Discussion Paper Series No. 6833, May. London: Centre for Economic Policy Research, *Review of Economics and Statistics*, forthcoming.

10 Technology in the Middle East and Europe

Did the middle east fall behind Europe in technological sophistication during the middle ages? Was manufacturing technology back wards? Why did the camel replace wheeled transportation? Is there a technological explanation for the rise of the Arabs?

*E. Ashtor, *A Social and Economic History of the Near East in the Middle Ages*, 1976, pp. Xx.

*Richard W. Bulliet, *The Camel and the Wheel*, 1990, pp. 7-27, 48-9, 64-77, 87-110.

11 Paradoxes of the Transit trade

How did trade between India and Europe develop? How did the transit trade affect the economies of the middle east? What was the impact of the sea route from Europe to India on the middle east?

*Niels Steensgaard, *The Asian Trade Revolution of the Seventeenth Century: The East India Companies and the Decline of the Caravan Trade*, 1973, pp. 9-11, 22-42, 60-67, 81-103.

Eliyahu Ashtor (1970). *Les métaux précieux et la balance des paiements du Proche-Orient à la basse époque*, Paris : S.E.V.P.E.N

12 Trading in the Golden Age (and after)

How was international business conducted in this period? How were contracts enforced? Is there any indication that Islamic legal institutions hindered business?

*Hanna, Nelly (1998), *Making Big Money in 1600, The Life and Times of Ismail Abu Taqiyya, Egyptian Merchant*, The American University in Cairo Press, Cairo, pp. xv - xxvii , 43-69.

*A. Grief, "Reputation and Coalitions in Medieval Trade: Evidence on the Maghribi Traders' Coalition," *Journal of Economic History*, Vol. 49, 1989, pp. 857-82.

Greif, Avner (1994). "Cultural Beliefs and the Organization of Society: a Historical and Theoretical Reflection on Collectivist and Individualist Societies," *The Journal of Political Economy* 102 (5), pp. 912-950.

13 Science and the Golden Age

Why was Islamic science a world leader in the Golden Age and why was it overtaken by European science? Does this have bearing on economic growth?

*Toby E. Huff, *The rise of early modern science: Islam, China and the West*, Cambridge: Cambridge University Press, 1993, pp. 47-88 (esp 47-64), 209-39.

*Chaney E. "Tolerance, Religious Competition and the Rise and Fall of Muslim Science," Harvard University, Department of Economics, 2008

14 Debating the Golden Age

Was the rise and fall of the Golden Age due to cultural factors or was it the result of ordinary economic causes?

*Shatzmiller, Maya (2011), "Economic Performance and Economic Growth in the Early Islamic World, 700-1000," *Journal of the Economic and Social History of the Orient*, 54, 132-84.

Part III European Imperialism and the Middle East, 1800-1945

15. The Rise of the West: Should we really be talking about Europe?

Why did the centre of economic activity in Europe shift from the Mediterranean to the North Sea in the seventeenth century? Why did the Industrial Revolution happen in Britain?

*Robert C. Allen, *Global Economic History: A Very Short Introduction*, 2011, pp. 1-39.

16 phases and themes: divergent development

How did imperialism and globalization affect the middle east in the long nineteenth century?

*Charles Issawi, *An Economic History of the Middle East and North Africa*, 1982, pp. 1-16.

*Pamuk, S. (2006). "Estimating economic growth in the Middle East since 1820," *Journal of Economic History*, Vol. 66, pp. 807-828.

*Mojgan Stegl , Joerg Baten (2009). “Tall and shrinking Muslims, short and growing Europeans: The long-run welfare development of the Middle East, 1850–1980,” *Explorations in Economic History*, Vol. 46, pp. 132-48.

John Gallagher and Ronald Robinson, “The Imperialism of Free Trade,” *The Economic History Review*, 2nd series, Vol. VI, No. 1, 1953, pp. 1-15.

17 & 18 transportation revolution & global market integration

How did steamships and railways affect shipping costs? What was the impact on prices in different parts of the world? How were the gains from better transportation distributed among people in Europe and the middle east? How do economists analyse transportation improvements?

*Charles Issawi, *An Economic History of the Middle East and North Africa*, 1982, pp. 17-61.

*Donald Quataert, “Limited Revolution: The Impact of the Anatolian Railway on Turkish Transportation and the Provisioning of Istanbul, 1890-1908,” *The Business History Review*, Vol. 51, No. 2 (Summer, 1977), pp. 139-160

C. K. Harley, “The Shift from Sailing Ships to Steam Ships, 1850-1890: A Study in Technological Change and Its Diffusion,” in D.N. McCloskey, ed., *Essays on a mature economy : Britain after 1840*, Princeton, 1971 pp. 215-234;

S.I.S. Mohammed and Jeffrey G. Williamson, “Freight rates and productivity gains in British tramp shipping, 1869-1950,” *Explorations in Economic History*, 2004, Vol. 41, pp. 172-203.

Bent Hansen and Khairy Tourk “The Profitability of the Suez Canal as a Private Enterprise, 1859-1956,” *The Journal of Economic History*, Vol. 38, No. 4 (Dec., 1978), pp. 938-958

19 international and state finance

How was the middle east integrated into world capital markets? What were the implications for political independence and national development?

*Charles Issawi, *An Economic History of the Middle East and North Africa*, 1982, pp. 62-76.

*Karaman, K. and Ş. Pamuk.(2010). "Ottoman State Finances in European Perspective, 1500-1914." *Journal of Economic History*: 70 (3), pp. 593-629.

20 agriculture: export expansion

Did Ottoman land reform create private property in land? What were the implications for economic growth and the distributions of income and wealth? What role did market conditions and transportation changes play in these developments? How did farmers in the middle east react to the opportunities they faced? What implications do those responses have for an assessment of culture and institutions?

*Charles Issawi, *An Economic History of the Middle East and North Africa*, 1982, pp.118-49.

21 De-industrialisation

Did globalization lead to de-industrialization?

*Ş. Pamuk and Jeffrey G. Williamson, "Ottoman de-industrialization, 1800–1913: assessing the magnitude, impact and response", *Economic History Review*, Vol. 64, 2011, pp. 159-84.

22 Mohammad Ali's development drive

How did Mohammed Ali attempt to modernize Egypt and why did he fail?

*Laura Panza and Jeffrey G. Williamson (2013). "Did Muhammad Ali Foster Industrialization in Early 19th Century Egypt?" CEPR discussion paper DP9363.

*Mohamed Saleh (2012). "The Reluctant Transformation: Modernization, Religion, and Human Capital in Nineteenth Century Egypt," Toulouse School of Economics.

Reuven Aharoni, *The Pasha's Bedouin: Tribes and State in the Egypt of Mehemet Ali, 1805-1848*, Routledge, 2007, pp. 97-103.

23 Re-industrialization?

Could the middle east have industrialized before World War II by operating modern factories with its low wage labour?

*Charles Issawi, *An Economic History of the Middle East and North Africa*, 1982, pp 150-69.

*Robert C. Allen "The Industrial Revolution in Miniature: The Spinning Jenny in Britain, France, and India," *Journal of Economic History*, Vol. 69, no. 4, December, 2009, pp. 901-27.

24 Debate: Was the development of the middle east held back by Islamic institutions?

What were the roles of indigenous institutions and external globalization forces in shaping the development of the middle east since the Golden Age?

*Kuran, Timur (2004). "Why the Middle East is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation," *Journal of Economic Perspectives* 18, 71—90.

*Kuran, Timur (2004). "The Economic Ascent of the Middle East's Religious Minorities: The Role of Islamic Legal Pluralism." *The Journal of Legal Studies*: 33 (2).

*Sevket Pamuk, "Institutional Change and Economic Development in the Middle East," *Cambridge History of Capitalism*, Vol. I, ed. by Larry Neal, forthcoming.

Part IV Post-1945

25 phases and themes

What opportunities have independence and oil given middle eastern governments and what have they made of them?

*Roger Owen and Şevket Pamuk, *A History of Middle East Economies in the Twentieth Century*, 1998, pp. 3-9, 93-103.

26 capital accumulation and oil

What kind of growth process was unleashed by the discovery of oil on the Arabian Peninsula? Is this an example of the Harrod-Domar or Lewis growth models?

*Lewis, W.A. (1954). "Economic Development with Unlimited Supplies of Labour," Manchester School of Economic and Social Studies, Vol. 22, pp. 139-191 (especially pages xx).

*Roger Owen and Şevket Pamuk, *A History of Middle East Economies in the Twentieth Century*, 1998, pp. 202-228.

27 State led growth

How did middle eastern states try to develop themselves after independence? How well did 'socialism' perform? How much have people's lives improved in terms of incomes, health, and education?

*Owen and Pamuk, *A History of Middle East Economies in the Twentieth Century*, Introduction to Part II and Chapters 5 and 6 on Turkey and Egypt, pp. 104-49 .
A. Richards and J. Waterbury, *A Political Economy of the Middle East*, Third Edition, 2008, Chapter 5, pp. 98-143.

28 demographic transitions

Rapid population growth has been a challenge to middle eastern development. Why did populations grow rapidly after 1950? How was this growth related to earlier demographic behaviour? What bearing does the education and employment of women have on the future prospects of demographic stability?

*A. Richards and J. Waterbury, *A Political Economy of the Middle East*, Third Edition, 2008, Chapter 4, pp. 71-97.