

Economics 0329A: Theory and Measurement in Economic History
Professor Amanda Gregg

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Course Meeting Time: Tuesdays and Thursdays, 3:00 pm to 4:15 pm
Location: WNS 208
Course Website: Middfiles

Office Hours: Mondays 3:00 to 5:00 pm, Wednesdays 10:30 am to 12:00 pm, and Thursdays 4:30 to 5:30 pm (Special note: the Thursday time is “secret office hours” reserved for Econ 0329 students only.)

Notes: We can also meet by appointment. No drop-ins, esp. when my door is closed. Friday is my “research day,” so I will not schedule appointments for Fridays, and I might be slow to respond to email.

Prerequisites: Econ 0210 and either Econ 255 (Micro Theory) or Econ 0240, or by instructor permission. Econ 0211 or some outside reading is strongly recommended if your Econ 0210 class did not introduce multiple regression.

Course Description and Objectives

This course aims to introduce you to the modern economic historian’s toolkit and to teach you the field’s standards for scientific writing. Along the way, we will read economic history’s “Greatest Hits,” amazing journal articles that use a variety of methodologies to answer big questions. These articles teach us about the past in order to inform what we know about how all economies work and reveal the historical roots of modern-day economic phenomena. By the end of this class, you should be able to:

- Understand the assumptions underlying a set of economic history methods
- Design an appropriate methodology to answer a question related to economic history
- Express an economic question, methodology, and set of results efficiently and transparently
- Write historical narratives for intelligent but exhausted economists
- Form polite and systematic critiques of great articles in order to advance a research agenda
- Reflect thoughtfully on the creative process in social science

Textbooks (Available at the College Bookstore)

I would like you to purchase a small number of inexpensive textbooks. Most readings for this course will take the form of scholarly journal articles.

Required: Deirdre N. McCloskey. *Economical Writing*. Second Edition. Long Grove: Waveland Press, 2000. ISBN: 978-1-57766-063-7. (Also placed on reserve at the library)

Optional: William Strunk, Jr. and E.B. White. *The Elements of Style*. Fourth Edition Pearson, 1999. ISBN: 978-0205309023. (Ahem, you should own this already)

Final Grade Components

Final Research Proposal	15%
Drafts	20%
Statement of Interests	@ 1%
Research Question	@ 3%
Literature Review	@ 7%
1-Page Method Check	@ 1%
Data & Methodology	@ 8%
Final Presentation	5%
Peer Referee Reports	5%
Take Home Midterm	20%
Short Reading Response Paper	15%
Class Participation and Attendance	15%
Reading Quizzes	5%

Notes about Assignments

The focus of each class meeting will be an in-depth discussion of the Paper-of-the-Day. Class participation will be critical to keep us afloat. In some class meetings, I plan to give a very brief lecture to provide historical and historiographical context and to clarify points I think are particularly complicated. Then, we will dissect the article as a group.

To encourage consistent reading, we will have a reading quiz approximately once each week (some weeks will have two, some weeks none). I will drop your two (2) lowest reading quizzes, which is generous. Quizzes will be short and easy as long as I am satisfied with the class's level of preparation. If you have an ADA accommodation, let's meet as soon as possible to discuss how to maximize your comfort during the quizzes.

The reading response assignments are described at the end of the syllabus. I will distribute rubrics as due dates approach. Students have the option to write a second reading response by the end of the semester, in which case the reading response grade will be the average of the grades on the two papers.

The take-home midterm quiz will consist of a few short essays asking you to reflect on methodologies we have discussed from readings. This is an independent assignment. Once the assignment is posted, I will not permit collaboration, and I will not answer questions (unless you suspect the exam has an error).

Participation includes attendance, asking questions, and answering questions. Every student gets two unexcused absences without penalty. **After that, each unexcused absence takes two percentage points off of the final grade.** Perfect attendance without speaking in class earns you at most 50% of the participation grade. I will begin to take attendance after the first week.

Grading

Because this is a difficult advanced economics course, I do not have a set distribution of As, Bs, etc. in mind. This is to your benefit. In assigning grades, my concerns are effort, enthusiasm, demonstrated improvement, and expertise.

Late Work

I accept no late work except in cases that qualify for a Dean's excuse.

Various Devices

Please, no cell phones, no laptops. We will all need our whole minds for this class. Students with compelling reasons may take notes on laptops as long as they agree to sit slightly apart from classmates.

Academic Dishonesty

Students in this class are expected to follow the [Honor Code](#). Consulting notes or outside materials during quizzes is strictly forbidden. Copying or otherwise forwarding someone else's work as your own without attribution is plagiarism. If you have questions about citations or about what constitutes plagiarism, ask me. I will pursue formal college disciplinary procedures in all cases of suspected academic dishonesty. If you see something, say something.

ADA Accommodations

Students should notify Professor Gregg as soon as possible if they will need any accommodations or assistance.

Athletics/Activities Conflicts

Please notify Professor Gregg ahead of time, with plenty of notice, if you have a scheduling conflict due to athletics or other college activities. The student will be responsible for all missed work. Athletic absences are not excused. It is the student's responsibility to make any necessary arrangements.

Arguing About Grades

It is my deepest hope that this class will not be the kind in which we argue about grades BUT just in case, I include my usual spiel here:

I sometimes make mistakes. Those mistakes can help or hurt you. You may resubmit papers or exams to me for re-grading with a cover letter attached. I will re-grade the entire paper or exam. Your grade may go up or down after my re-grading. The re-grading will be final.

On a personal note, I really regret those times I argued about grades with professors in college. The cost (however small) to the relationship was never worth the extra points.

Tentative Course Schedule

Topic 1: Introduction to the Course and Econometrics Review

February 13

Introduction to the course. What is economic history? Learning goals for the semester. Methodologies we will study. Now that you have completed the economics core, what do you think economics is? The meaning of "theory and measurement." The final project.

Required (and wonderful!) Reading: Abramitzky, Ran. "Economics and the Modern Economic Historian." *Journal of Economic History* 75.4 (2015): 1240-51. You can also check out the longer NBER version, which has more graphs and some funny figures.

February 15

Introduction to history. Primary and secondary sources. How to find historical data. How to read. The six questions. Beginning regression refresher: The assumptions of OLS, the regression equation, reading regression tables, and OLS in economic history.

Required Reading: Skim the following two short articles from the journal *Historical Methods*:

(1) Ruggles, Steven, Evan Roberts, Sula Sarkar, and Matthew Sobek. "The North Atlantic Population Project: Progress and Prospects." *Historical Methods* 44.1 (2011): 1-6.

(2) Atack, Jeremy and Fred Bateman. "Nineteenth-Century U.S. Industrial Development through the Eyes of the Census of Manufactures: A New Resource for Historical Research." *Historical Methods* 32.4 (1999): 177-88.

February 20

Continued OLS review with a grown-up OLS example. Eric Hilt's paper on early U.S. corporate governance.

Required Reading: Hilt, Eric. "When did Ownership Separate from Control? Corporate Governance in the Early Nineteenth Century." *Journal of Economic History* 68.3 (2008): 645-83.

Statement of Interests Due Today

Topic 2: Getting at Causation: Cross-Country Regressions with Proxies and Instruments

February 22

The measurement problem. Laws as institutions. The law and finance literature and its critiques.

Required Reading: Porta, Rafael La, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny. "Law and finance." *Journal of Political Economy* 106.6 (1998): 1113-1155.

Optional Reading: Guinnane, Timothy, Ron Harris, Naomi R. Lamoreaux, and Jean-Laurent Rosenthal. "Putting the Corporation in its Place." *Enterprise and Society* 8.3 (2007): 687-729.

February 27

Why are some countries rich and some countries poor? The institutions explanation and its measurement problem. Instrumental variables. How do you critique an IV technique fairly?

Required Reading: (1) Deeply: Daron Acemoglu, Simon Johnson, and James A. Robinson. "The Colonial Origins of Comparative Economic Development: An Empirical Investigation." *American Economic Review* 91.5 (2001).

(2) Skim: Albouy, David Y. "The Colonial Origins of Comparative Development: An Empirical Investigation: Comment." *American Economic Review* 102.6 (2012): 3059-076.

Topic 3: Quasi-Experimental Designs in Economic History: Difference-in-Difference and Regression Discontinuity

March 1

Intro to difference-in-difference. A “dirty” example. Job market papers.

Required Reading: Juhász, Réka. “Temporary Protection and Technology Adoption: Evidence from the Napoleonic Blockade.” Working Paper, Available Online (2015). Use the version Professor Gregg posts to Middfiles.

Statement of the Research Question Due Today

March 6

A cleaner difference-in-difference using an exogenous border

Required Reading: Richardson, Gary, and William Troost. "Monetary intervention mitigated banking panics during the great depression: quasi-experimental evidence from a federal reserve district border, 1929–1933." *Journal of Political Economy* 117.6 (2009): 1031-1073.

March 8

Borders and regression discontinuity. The persistence debate.

Required Reading: Dell, Melissa. "The persistent effects of Peru's mining mita." *Econometrica* 78.6 (2010): 1863-1903.

First Reading Response Due Today

March 13

Price Fishback’s Visit to Class. We are honored to have one of my heroes, Professor Price Fishback from the University of Arizona, in class today to discuss one of his (many) classic papers.

Required Reading: Fishback, Price and Valentina Kachanovskaya. “The Multiplier for Federal Spending in the States during the Great Depression.” *Journal of Economic History* 75.1 (2015): 125-62.

Topic 4: Analytic Narratives and Applied Theory

March 15

What is an analytic narrative? Game theory in words. The Maghribi Traders Coalition.

Required Reading: Greif, Avner. “Contract Enforcement and Economic Institutions in Early Trade: The Maghribi Traders’ Coalition.” *American Economic Review* 83.3 (1993): 525-48.

Take-Home Midterm to Be Posted

March 20

The Greif / Ogilvie Smackdown

Required Reading: (1) Deeply: Edwards, Jeremy and Sheilagh Ogilvie. "Contract enforcement, institutions, and social capital: the Maghribi traders reappraised." *Economic History Review* 65.2 (2012): 421-44.

(2) Skim: Greif, Avner. "The Maghribi traders: a reappraisal?" *Economic History Review* 65.2 (2012): 445-69.

March 22

A breath. An extended discussion of writing in the economics profession. Taking stock: What have we observed so far about good economics writing? Citation styles: Chicago, MLA, and journal styles.

Required Reading: McCloskey, Deirdre N. *Economical Writing (Second Edition)*. Long Grove, Illinois: Waveland Press, Inc., 2000.

Take-Home Midterm Due: Friday, March 23, 5:00 pm.

SPRING BREAK

Topic 5: Tackling Big Questions with Narrative Evidence

April 3

Economic history in history departments. Naomi Lamoreaux, Jean-Laurent Rosenthal, and other narrative masters. Examining primitive banking using historical documents.

Required Reading: Lamoreaux, Naomi R. "Banks, Kinship, and Economic Development: The New England Case." *Journal of Economic History* 46.3 (1986): 647-67.

April 5

Using narrative to understand an institution's origins and effects

Alston, Lee and Joseph P. Ferrie. "Paternalism and Agricultural Labor Contracts in the U.S. South: Implications for the Growth of the Welfare State." *American Economic Review* 83.4 (1993): 852-76.

Literature Review + 1 Page Short Description of Proposed Data and Methodological Approach Due Today

April 10

In-Class Research Proposal Discussion. How are things going?

April 12

Uniting evidence from narrative and regressions. Christina Romer's classic paper on the Great Crash and the Great Depression. How does Romer unite documentary evidence with macroeconomic models?

Required Reading: Romer, Christina D. "The Great Crash and the Onset of the Great Depression." *Quarterly Journal of Economics* (August 1990): 597-624.

Peer Referee Reports on Literature Review Due

Topic 6: Matched Census Data

April 17

Matching people over long distances and time spans to understand migrant selection and the effects of migration.

Required Reading: Abramitzky, Ran, Leah Platt Boustan, and Katherine Eriksson. "Europe's tired, poor, huddled masses: Self-selection and economic outcomes in the age of mass migration." *American Economic Review* 102.5 (2012): 1832-1856.

Optional Readings: (1) Abramitzky, Ran, Leah Platt Boustan, and Katherine Eriksson. "A Nation of Immigrants: Assimilation and Economic Outcomes in the Age of Mass Migration." *Journal of Political Economy* 122.3 (2014): 467-506.

(2) Feigenbaum, James J. "Automated census record linking: A machine learning approach." Mimeo, Harvard University (2016).

April 19

Matched census data and their discontents

Bailey, Martha, Connor Cole, Morgan Henderson, and Catherine Massey. "How Well Do Automated Methods Perform in Historical Samples? Evidence from New Ground Truth." NBER Working Paper 24019 (2017).

Data and Methodological Approach Due

Topic 7: Macro Models and Structural Methods

April 24

Rethinking the Great Depression with a macro model.

Required Reading: Cole, Harold L., and Lee E. Ohanian. "New Deal policies and the persistence of the Great Depression: A general equilibrium analysis." *Journal of Political Economy* 112.4 (2004): 779-816.

April 26

Structural models to solve big, old problems. Dave Donaldson, winner of the John Bates Clark Medal, and his "greatest job market paper of all time."

Required Reading: Donaldson, Dave. "Railroads of the Raj: Estimating the Impact of Transportation Infrastructure." Forthcoming, *American Economic Review*.

Optional Reading: Fogel, Robert W. "A Quantitative Approach to the Study of Railroads in American Economic Growth: A Report of Some Preliminary Findings." *Journal of Economic History* 22.2 (1962): 163-97.

Peer Referee Reports on Methodology Due

May 1	Student Presentations
May 3	Student Presentations
May 8	Student Presentations
May 10	Student Presentations

Optional Second Reading Response Due Today

THIS COURSE DOES NOT HAVE A FINAL EXAM

Final Research Paper Assignment

The cornerstone of this course is a research proposal, which consists of **4** parts. Rough drafts of **3 of these parts** will be due throughout the semester.

1. Introduction (Approximately 3-5 pages)

- a. Statement of the biggest question for which your project is relevant.
- b. Statement of your particular research question (**Due Thursday, March 1; 2 pages maximum**). Present an important question that needs to be researched, i.e. the answer is not immediately obvious to an intelligent reader.
- c. Brief statement of how you will answer the question (data and methodology)
- d. Roadmap of the proposal

2. Literature Review (**Due Thursday, April 5; 4 pages maximum**).

A good literature review describes what we know already, how we know it, and what remains to be understood. The literature review should make it clear that, while you stand on the shoulders of giants, the existing research either does not answer your question or does not answer it well. Spell out how you can make an intervention to improve what is known about a topic.

3. Data and Methodological Approach (**Due Thursday, April 19; 5 pages maximum**)

Explain in detail the dataset or source list you plan to use to answer your research question. What information do you need? How will you collect it? Then, explain how you will make use of those sources to answer your question. Your methodological approach could be based on econometric methods, theoretical analysis, or narrative analysis. Justify why you have chosen this methodology: what do you hope to learn?

4. Possible pitfalls and how you might address them (Approximately 1-2 pages)

There is no such thing as a perfect research methodology. What might yours miss? Is there anything you could do to improve your final product?

As outlined above, you will turn in parts 1 (partially) through 3 over the course of the semester for my comments and a first grade. At the end of the semester, I will grade the final product as a whole.

No part of the paper, when turned in, is a contract. I expect that many of you will tweak your questions, relevant literature, and data as you learn more about the methodological approach you would like to use.

The complete paper is due on **Saturday, May 19 by 5:00 pm**. Final Page Limit: 15¹ (This may require you to shorten some sections).

¹ Does this seem short? A few Nobel prize-winning articles are shorter. Cut the fat and focus on what is important. See, for example, George A. Akerlof. "The Market for "Lemons": Quality Uncertainty and the Market Mechanism. *Quarterly Journal of Economics* 84.3 (1970): 488-500 (That's 12 pages).

3 Kinds of Economic History Research Questions

1. Why did [Blank] look the way it did in the past? How did it work? From this, what can we learn about all economies / about humanity?
2. What are the historical roots of an economic phenomenon or institution we observe today? How did those historical roots determine the evolution of that phenomenon or institution over time?
3. Suppose the best example of a policy or other economic shock is found in the past. What were the effects of that shock as observed in that historical example? What does that example tell us about the effects of that shock in any context?

The Middlebury College Economics Department Honors Thesis Program

Many of you may find this course to be a helpful bridge to writing an honors thesis. I think writing a thesis is a great way to show what you have learned in the economics major, and I encourage you to consider it. The honors thesis program at Middlebury is conducted in the context of a two-term course (one semester plus one J-term), which has its own instructor. Though I can help you construct a topic and serve as an outside "consultant," the instructor of the thesis program approves the topic and serves as the primary advisor for the thesis. When thesis instructors for next year are announced this spring, we can discuss individually whose seminar might be the best fit for your research, and I would be happy to help you navigate a conversation with the instructor.

The Reading Response Assignments

During this course, you will complete one (optionally, two) short reading response paper. This assignment has two goals. First, I would like each of you to engage deeply with an article from the course. The assignment asks you to describe and critique an article's methods and to suggest improvements that might be possible with more data or additional tests. Second, this is a CW course, so rather than assigning problem sets, I assign more writing.

For the first paper, choose one (1) article assigned to be read by March 8. For the (optional) second paper, choose one (1) article assigned to be read on or after March 8.

For the reading response papers, complete the following two tasks:

1. Explain (briefly) the article's question, methodology, and conclusion. Identify the article's assumptions and assess their validity.
2. Suggest how the article could be improved by leveraging additional data, statistical tests, or other methods.

Page Limits: 3 pages, double-spaced, 1-inch margins, no funny business.

Anonymous Grading: I will grade these blind. Submit your paper with a cover page that has your name on it that I can tear off before grading (i.e., watch double-sided printing). Do not include your name anywhere in the text.

Due Dates: March 8 and May 10 at the beginning of class.

Peer Referee Reports

I am asking each of you to read and review the work of a randomly assigned partner when you turn in the literature review and methodology sections of the paper. When your classmates get work back, they will have feedback from me and from an anonymous classmate.

The referee report assignment is to help each of you learn to provide kind, professional, constructive criticism. You will have to do this throughout your careers.

Your referee report should have 3 parts:

1. A brief summary of the author's work
2. Major comments
3. Minor comments (typos, writing suggestions, and other things that are easy to fix)

Tips:

- The report should be written in the third person, not the second person. Imagine you are writing a letter to the editor rather than to the author. This helps to soften your critique. For example, you might write: "The author proposes a difference in difference methodology" rather than "YOU say YOU will do this but YOU are wrong!" The use of the second person invokes a feeling of finger pointing.
- Never say that the author has "failed" to do something. They have not "failed" because they are not "done." They produced the beginnings of a paper! Creative work is exhausting and terrifying. Respect your classmates' efforts.
- Watch negative adjectives and overly general negative statements. Vagueness is the enemy of kindness. What has the author actually done? What, exactly, is missing? How should it be improved? Provide a path forward rather than a harsh pronouncement about what you see now.
- It is of course expected that you will provide your classmates feedback on the writing as well as the content. The warning above still applies. Help your classmate understand what can be improved about the writing. Suggest concrete edits.
- Do not risk identifying yourself by including personal anecdotes or other information.²

Format: 2-pages double-spaced, maximum. Format as you wish, i.e. one page single-spaced is also acceptable.

Graded on a check (5/5), check-minus (4/5) scale, where the default grade is a check.

To turn in: Email me a Word document that does not contain any identifying information. I will immediately send the report, without any edits, to the author whose work you have reviewed.

² It is considered gauche when a referee at a peer-reviewed journal, for example, suggests that the author cite the referee's papers.