

**Economics 345**  
**Spring 2008**  
**Tues/Thurs - 10:30 a.m.**  
**Eliot 103**

**Lon L. Peters**  
**Vollum 125, x7488**  
**Lon.Peters@reed.edu**  
**503-203-1539 (home office)**

## **European Economic History**

*“If I were starting afresh my work in economics and I were told that I could only study one field, I would choose economic history.”*  
*Joseph A. Schumpeter, History of Economic Analysis*

**Description:** This course surveys the economic history of Western Europe from the late Middle Ages through the first part of the 20<sup>th</sup> century. We will study historical evidence through the lenses of basic micro- and macro-economic theory.

**Office Hours:** Wednesday, 2-4 pm, or by appointment.

**Readings:** Each week we will all read and discuss articles and/or chapters in books. The “Summaries and Critiques” guidelines at the end of the syllabus are intended to help organize your reading and thinking before, during, and after each class.

### **Resources:**

- Books are on two-hour reserve at the library. Most readings are on e-reserve on the library course-page for Econ 345, accessible via library.reed.edu (the password will be announced in class).
- I will use both e-mail and the Moodle page to communicate with you, so please make sure you have regular e-mail access and understand how to use Moodle.
- For those interested in further research in general in economic history, [www.eh.net](http://www.eh.net) is a portal to a vast amount of material, including data, book reviews, and abstracts.

### **Requirements:**

- Class participation This is a small seminar class. For such a class to be successful, it is essential that we all do the reading and show up. In addition, starting in the second week of the semester, a rotating team of two students will be responsible for helping initiate the discussion each Thursday. This means collaborating on a very short document (no more than one page) that will pose 3-4 questions for discussion. Typical questions can be derived from or rely on the Summaries and Critiques guidelines. Please make sure that the document is posted on Moodle no later than 6 p.m. on the Monday before class. These questions will become part of your notebook for the course.
- Notebook One (perhaps the most important) product of this class will be your notebook for the course. It should contain the following: a copy of the syllabus, lecture notes, notes on readings, and notes from class. ***N.B. You may use your notebook during exams.*** Notebooks may be kept and used in electronic format.

- Term papers Two short research and exposition (term) papers are required. To help you focus quickly, a list of suggested (not required) topics will be distributed. Before spring break, you must schedule a time to meet with me to review your topic. The papers should be no shorter than seven pages and no longer than ten pages, excluding bibliography; I will stop reading after page ten. Papers must follow the style format required in the Economics Department (<http://academic.reed.edu/economics/resources/index.html>). Term papers may not be hand-written and must be turned in electronically via e-mail attachments in Word or Acrobat format (double-spaced and 12-point type). Term papers are due no later than 5 p.m. on March 24 and April 21.
- Exams There will be a take-home mid-term exam and a final exam. ***Both exams are “open-note”, but not “open book” or “open readings”.*** This obviously creates an incentive to take good notes (both of readings and class discussions) and organize them well so that you can access them easily. Exams will be essays and must be turned in electronically via e-mail attachments in Word or Acrobat format. (If you rely on another format, please let me know in advance so I can ensure my ability to open the files.)
- Late policy Please see me if illness interferes with your ability to meet any deadlines. Exams may not be turned in late.

**Grading:** The final grade for the course will be a weighted average of all components of the above requirements: (a) participation (including preparation of questions), (b) term papers, and (c) exams.

**Journals/Annuals:** All journals are available through JSTOR or an equivalent database at the library. Annuals (REH) are on two-hour reserve. Please see the library staff if you need assistance finding materials, or if some of the links on the electronic version of the syllabus don't work properly. (Also, please let me know if any links in the syllabus don't work.)

AER – American Economic Review  
EEH – Explorations in Economic History (tends toward the econometric)  
EER – European Economic Review  
EHR – Economic History Review (tends toward the narrative, with less explicit theory)  
EREH – European Review of Economic History  
JEH – Journal of Economic History (a nice balance of theory and evidence)  
JEL – Journal of Economic Literature (research tool, plus survey articles)  
JEP – Journal of Economic Perspectives (survey articles)  
REH – Research in Economic History (annual issue with survey chapters)

## Syllabus

### 1. January 29-31: Introduction; why study economic history?

Arrow, K.J. "Maine and Texas", *AER*, 75(2), May 1985, 320-323.

Solow, R.M. "Economic History and Economics", *AER*, 75(2), May 1985, 328-331.

Hicks, J. *A Theory of Economic History*, 1969, Chapter III, 25-41.

[Optional: McCloskey, D.N. "Economics as an Historical Science", in Parker, W.N., ed., *Economic History and the Modern Economist*, 1986, 63-69.]

[Optional: McCloskey, D.N. "Does the Past Have Useful Economics?", *JEL*, 14(2), June 1976, 434-461.]

[Optional: Hatcher, J. and M. Bailey. *Modeling the Middle Ages: The History and Theory of England's Economic Development*, 2001, Chapter 1.]

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Polanyi, K. *The Great Transformation: The Political and Economic Origins of Our Time*, 1957, Chapter 6, 68-76.

Ó Gráda, C. and J.-M. Chevet, "Famine and Market in *Ancien Régime* France", *JEH*, 62(3), September 2002, 706-733.

Sykes, A.O. "An Introduction to Regression Analysis", Chicago Working Paper in Law and Economics, available at [www.law.uchicago.edu/Lawecon/WkngPprs\\_01-25/20.Sykes.Regression.pdf](http://www.law.uchicago.edu/Lawecon/WkngPprs_01-25/20.Sykes.Regression.pdf); \*OR\* Greenlaw, S.A. *Doing Economics: A Guide to Understanding and Carrying Out Economic Research*, 2006, 203-217 [on two-hour reserve for Econ 401 at the library]; \*OR\* Meier, G.M. and J.E. Rauch, *Leading Issues in Economic Development*, 2005, "Appendix: How To Read a Regression Table", 633-638.

[Optional: McCloskey, D.N. "Polanyi Was Right, and Wrong", *Eastern Economic Journal*, Fall 1997, 23(4), 483-87.]

### 2. February 5-7: Medieval Labor and the Black Death

Smith, R. M. "Demographic Developments in Rural England, 1300-48: A Survey", in Bruce M.S. Campbell, ed., *Before the Black Death: Studies in 'Crisis' of the Early Fourteenth Century*, 1991, 25-78.

Bridbury, A.R. "The Black Death", *EHR*, 26(4), November 1973, 577-92.

Hatcher, J. "England in the Aftermath of the Black Death", *Past & Present*, No. 144, August 1994, 3-35.

Bailey, M. "Demographic Decline in Late-Medieval England: Some Thoughts on Recent Research", *EHR*, 49(1), February 1996, 1-19.

Cohn, S. "After the Black Death: labour legislation and attitudes towards labour in late-medieval western Europe", *EHR*, 60(3), August 2007, 457-85.

Pamuk, S. "The Black Death and the origins of the 'Great Divergence' across Europe, 1300-1600", *EREH*, 11(3), December 2007, 289-317.

[Optional: Munro, J. [Review of] Borsch, S. J. *The Black Death in Egypt and England: A Comparative Study*, 2005, available at [www.eh.net/bookreviews/library/1053](http://www.eh.net/bookreviews/library/1053).]

### 3. February 12-14: Medieval Agriculture and the Common Field System

McCloskey, D.N. "The Persistence of English Common Fields", in Parker, W.N. and Jones, E.L. (eds.), *European Peasants and Their Markets: Essays in Agrarian Economic History*, 1975, 73-119.

Fenoaltea, S. "Risk, transaction costs, and the organization of medieval agriculture", *EEH*, 13(2), April 1976, 129-151.

McCloskey, D.N. "The Prudent Peasant: New Findings on Open Fields", *JEH*, 51(2), June 1991, 343-355.

Richardson, G. "The Prudent Village: Risk Pooling Institutions in Medieval English Agriculture", *JEH*, 65(2), June 2005, 386-413.

[Optional: Bekar, C. T. "Scattering as insurance: A robust explanation of open fields?", *REH*, 20, 2001, 173-221.]

[Optional: Richardson, G. "What protected peasants best? Markets, risk, efficiency, and medieval English agriculture", *REH*, 21, 2003, 299-356.]

**Friday, February 15: Douglass North @ PSU – 7 p.m.**

4. February 19-21: Enclosures

McCloskey, D.N. "The Economics of Enclosure", in Parker, W.N. and Jones, E.L. (eds.), *European Peasants and Their Markets: Essays in Agrarian Economic History*, 1975, 123-160.

Allen, R.C. "The Efficiency and Distributional Consequences of Eighteenth Century Enclosures", *The Economic Journal*, 92(368), December 1982, 937-953.

Shaw-Taylor, L. "Parliamentary Enclosure and the Emergence of an English Agricultural Proletariat", *JEH*, 61(3), September 2001, 640-662.

5. February 26-28: The Decline of Serfdom in Western Europe

Blum, J. *The End of the Old Order in Rural Europe*, 1978, Chapter 8, 155-177 [optional: Chapters 6-7].

Domar, E.D. "The Causes of Slavery or Serfdom: A Hypothesis", *JEH*, 30(1), March 1970, 18-32.

North, D.C. and R.P. Thomas. "The Rise and Fall of the Manorial System: A Theoretical Model", *JEH*, 31(4), December 1971, 777-803.

Fenoaltea, S. "The Rise and Fall of a Theoretical Model: the Manorial System", *JEH*, 35(2), June 1975, 386-409.

Fenoaltea, S. "Authority, Efficiency, and Agricultural Organization in Medieval England and Beyond: A Hypothesis", *JEH*, 35(4), December 1975, 693-718.

Fenoaltea, S. "Slavery and Supervision in Comparative Perspective: A Model", *JEH*, 44(3), September 1984, 635-68.

[Optional: Millward, R. "The early stages of European industrialization: Economic organization under serfdom", *EEH*, 21(4), October 1984, 406-428.]

[Optional: Bloch, M. *Slavery and Serfdom in the Middle Ages: Selected Essays*, 1975, Chapter Four, 151-161.]

[Optional: Domar, E. and M. Machina. "On the Profitability of Russian Serfdom", *JEH*, 44(4), December 1984, 919-955.]

[Optional: Hatcher, J. and M. Bailey. *Modeling the Middle Ages: The History and Theory of England's Economic Development*, 2001.]

6. March 4-6: Institutions, Guilds, and Contracts

Swanson, H. "The Illusion of Economic Structure: Craft Guilds in Late Medieval English Towns", *Past & Present*, No. 121, November 1988, 29-48.

Hickson, C.R. and E.A. Thompson. "A new theory of guilds and European economic development", *EEH*, 28(2), April 1991, 127-168.

Epstein, S.R. "Craft Guilds, Apprenticeship and Technological Change in Preindustrial Europe", *JEH*, 58(3), September 1998, 684-713.

Richardson, G. "Guilds, laws, and markets for manufactured merchandise in late-medieval England", *EEH*, 41(1), January 2004, 1-25.

North, D.C. and Weingast, B.R. "Constitutions and Commitment: The Evolution of Institutional Governing Public Choice in Seventeenth-Century England", *JEH*, 49(4), December 1989, 803-832.

Binger, B. and Hoffman, E. "Institutional Persistence and Change: The Question of Efficiency", *Journal of Institutional and Theoretical Economics*, 1989, 145(1), 67-84.

Greif, A. "Reputation and Coalitions in Medieval Trade: Evidence on the Maghribi Traders," *JEH*, 49, December 1989, 857-82.

Ogilvie, S. "'Whatever is, is right'? Economic institutions in pre-industrial Europe", *EHR*, 60(4), Nov. 2007, 649-84.

[Optional: Casari, M. "Emergence of Endogenous Legal Institutions: Property Rights and Community Governance in the Italian Alp", *JEH*, 67(1), March 2007, 191-226.]

[Optional: Greif, A. "Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders' Coalition", *AER*, 83(3), June 1993, 525-548.]

7. March 11-13: Usury, Religion and Financial Markets

Le Goff, J. *Your Money or Your Life: Economy and Religion in the Middle Ages*, 1988, Chapter II, 17-32.

Weber, M. *The Protestant Ethic and the Spirit of Capitalism*, T. Parsons, trans., 1958, Chapter II, 47-78.

Tawney, R. *Religion and the Rise of Capitalism*, 1926, Chapter 1.

Ekelund, R.B., Jr., Hébert, R.F., and Tollison, R.D. "An Economic Analysis of the Protestant Reformation", *JPE*, 110, June 2002, 646-71.

Becker, S.O. and L. Wößmann. “Was Weber Wrong? A Human Capital Theory of Protestant Economic History”, CESifo Working Paper No. 1987, May 2007, available at [www.CESifo-group.de](http://www.CESifo-group.de).

Hoffman, P.T., Postel-Vinay, G., J.-L. Rosenthal. “Information and Economic History: How the Credit Market in Old Regime Paris Forces Us to Rethink the Transition to Capitalism”, *The American Historical Review*, 104(1), February 1999, 69-94.

Volckart, O. “Rules, Discretion or Reputation? Monetary Policies and the Efficiency of Financial Markets in Germany, 14<sup>th</sup> to 16<sup>th</sup> Centuries”, Humboldt-Universität zu Berlin, SFB 649 Discussion Paper 2007-007. (Available at <http://sfb649.wiwi.hu-berlin.de>)

Quinn, S. and Roberds, W. “The Bank of Amsterdam and the Leap to Central Bank Money”, *AER*, 97(2), May 2007, 262-265.

\* **OR** \*

Bell, A.R. et al. “Interest rates and efficiency in medieval wool forward contracts”, *Journal of Banking and Finance*, 2007, 31, 361-80.

[Optional: Marco, P.N. and Malle-Sabouret, C.V. “East India bonds, 1718–1763: early exotic derivatives and London market efficiency”, *EREH*, 11(3), December 2007, 367-394.]

[Optional: Fratianni, M. and F. Spinelli. “Italian city-states and financial evolution”, *EREH*, 10(3), December 2006, 257-278.]

**Thursday, March 13 – Mid-Term Exam**

**SPRING BREAK**

8. March 25-27: The Agricultural Revolution

Clark, G. “The Cost of Capital and Medieval Agricultural Technique”, *EEH*, 25(3), 1988, 256-94.

Grantham, G. “Agricultural Supply During the Industrial Revolution: French Evidence and European Implications”, *JEH*, 49(1), March 1989, 43-72.

Clark, G. “The Economics of Exhaustion, the Postan Thesis, and the Agricultural Revolution”, *JEH*, 52(1), March 1992, 61-84.

Allen, R.C. "Economic structure and agricultural productivity in Europe, 1300–1800", *EREH*, 4(1), April 2000, 1-25.

Harley, C.K. "Computational general equilibrium models in economic history and an analysis of British capitalist agriculture", *EREH*, 6(2), August 2002, 165-191.

Wrigley, E.A. "The transition to an advanced organic economy: half a millennium of English agriculture", *EHR*, LIX(3), 2006, 435-480.

[Optional: Clark, G. "Land rental values and the agrarian economy: England and Wales, 1500–1914", *EREH*, 6(3), December 2002, 281-308.]

[Optional: Wrigley, E.A. "Urban Growth and Agricultural Change: England and the Continent in the Early Modern Period", *Journal of Interdisciplinary History*, 15(4), Spring 1985, 683-728.]

[Optional: Karakacili, E. "English Agrarian Labor Productivity Rates Before the Black Death: A Case Study", *JEH*, 64(1), March 2004, 24-60.]

#### 9. April 1-3: The Industrial Revolution

Landes, D. "What Room for Accident in History? Explaining Big Changes by Small Events", *EHR*, November 1994, 637-56.

Marglin, S.A. "What Do Bosses Do? The Origins and Functions of Hierarchy in Capitalist Production", *The Review of Radical Political Economics*, 6(2), Summer 1974, 60-112. [Optional: Marglin, S.A. "What Do Bosses Do? Part II", *The Review of Radical Political Economics*, 7(1), Spring 1975, 20-37.]

Gerahty, T. "The Factory System in the British Industrial Revolution: A Complementarity Thesis", *EER*, 51(6), 2007, 1329-50.

De Vries, J. "The Industrial Revolution and the Industrious Revolution", *JEH*, 54(2), June 1994, 249-270.

Crafts, N.F.R. "Productivity Growth in the Industrial Revolution: A New Growth Accounting Perspective", *JEH*, 64(2), June 2004, 521-35.

Crafts, N.F.R. "British Economic Growth, 1700-1831: A Review of the Evidence", *EHR*, 36(2), May 1983, 177-99.

Crafts, N.F.R. "Industrial Revolution in England and France: Some Thoughts on the Question 'Why Was England First?'"', *EHR*, 30(3), August 1977, 421-41.



O'Brien, P.K. "Path Dependency, or Why Britain Became an Industrialized and Urbanized Economy Long before France", *EHR*, 49(2), May 1996, 213-249.

[Optional: Temin, P. "Two Views of the British Industrial Revolution", *JEH*, 57(1), March 1997, 63-82; Harley, C.K. and Crafts, N.F.R. "Simulating Two Views of the British Industrial Revolution"; and Temin, P. "Response to Harley and Crafts", *JEH*, 60(3), September 2000, 819-46.]

[Optional: Harley, C.K. "British Industrialization before 1841: Evidence of Slower Growth during the Industrial Revolution", *JEH*, 42(2), June 1982, 267-89.]

[Optional: Mokyr, J. and J.V.C. Nye. "Distributional Coalitions, the Industrial Revolution, and the Origins of Economic Growth in Britain", *Southern Economic Journal*, 74(1), 2007, 50-70.]

[Optional: N. Voigtländer, H.-J. Voth. "Why England? Demographic factors, structural change and physical capital accumulation during the Industrial Revolution", *J. of Economic Growth*, 11(4), 2006, 319-361.]

[Optional: Mokyr, J. "The Intellectual Origins of Modern Economic Growth", *JEH*, 65(2), June 2005, 285-351.]

#### 10. April 8-10: The Standard of Living

Malthus, T. *An Essay on the Principle of Population*, 1798, Chapters 1, 2, and 5.

Thompson, E.P. *The Making of the English Working Class*, 1966, Chapters 9-10.

Lindert, P.H. and J.G. Williamson. "English Workers' Living Standards During the Industrial Revolution: A New Look", *EHR*, 36(1), February 1983, 1-25.

Crafts, N.F.R. "Some Dimensions of the 'Quality of Life' during the British Industrial Revolution", *EHR*, 50(4), November 1997, 617-639.

Feinstein, C.H. "Pessimism Perpetuated: Real Wages and the Standard of Living in Britain during and after the Industrial Revolution", *JEH*, 58(3), September 1998, 625-658.

van Zanden, J.L. "Wages and the standard of living in Europe, 1500-1800", *EREH*, 3(2), August 1999, 175-197.

Clark, G. "The Condition of the Working Class in England, 1209-2004", *JPE*, 113, December 2005, 1307-1340.

Ewert, U.C. "The biological standard of living on the decline: episodes from Germany during early industrialization", *EREH*, 10(1), April 2006, 51-88.

[Optional: Thompson, E.P. "The Moral Economy of the English Crowd in the Eighteenth Century", *Past and Present*, 50, February 1971, 76-136.]

#### 11. April 15-17: The Poor Law

Blaug, M. "The Myth of the Old Poor Law and the Making of the New", *JEH*, 23(2), June 1963, 151-84.

McCloskey, D. "New Perspectives on the Old Poor Law", *EEH*, Summer 1973, 419-436.

Boyer, G. "The Old Poor Law and the Agricultural Labor Market in Southern England: An Empirical Analysis", *JEH*, 46(1), March 1986, 113-135.

Boyer, G. "Malthus Was Right After All: Poor Relief and Birth Rates in Southeastern England", *JPE*, 97(1), February 1989, 93-114.

Solar, P.M. "Poor Relief and English Economic Development before the Industrial Revolution", *EHR*, 48(1), February 1995, 1-22; King, S. "Poor Relief and English Economic Development Reappraised", *EHR*, 50(2), May 1997, 360-368; and Solar, P.M. "Poor Relief and English Economic Development: A Renewed Plea for Comparative History", *EHR*, 50(2), May 1997, 369-374.

Lindert, P.H. "Poor relief before the Welfare State: Britain versus the Continent, 1780-1880", *EREH*, 2(2), August 1998, 101-140.

#### 12. April 22-24: Industrialization on the Continent

Roehl, R. "French industrialization: a reconsideration", *EEH*, 13(3), July 1976, 233-81.

Locke, R.R. "French Industrialization: the Roehl Thesis Reconsidered"; and Roehl's "Reply", *EEH*, 18(4), October 1981, 415-35.

Crouzet, F. "The Historiography of French Economic Growth in the Nineteenth Century", *EHR*, 56(2), May 2003, 215-242.

Rosés, J.R. "Why Isn't the Whole of Spain Industrialized? New Economic Geography and Early Industrialization, 1797-1910", *JEH*, 63(4), December 2003, 995-1022.

Herranz-Loncan, A. "Infrastructure investment and Spanish economic growth, 1850-1935", *EEH*, 44(3), July 2007, 452-68.

Tortella, G. "Patterns of Economic Retardation and Recovery in South-Western Europe in the Nineteenth and Twentieth Centuries", *EHR*, 47(1), February 1994, 1-21.

[Optional: Grantham, G. "The French cliometric revolution: A survey of cliometric contributions to French economic history", *EREH*, 1(3), December 1997, 353-405.]

[Optional: for more studies of individual countries, see Teich, M. and R. Porter, eds. *The Industrial Revolution in National Context: Europe and the USA*, 1996.]

### 13. April 29, May 1: Backwardness

Gerschenkron, A. *Economic Backwardness in Historical Perspective*, 1964, Chapter 1, 5-30.

Good, D.F. "Backwardness and the Role of Banking in Nineteenth-Century European Industrialization", *JEH*, 33(4), December 1973, 845-50.

Kocka, J. "Capitalism and Bureaucracy in German Industrialization before 1914", *EHR*, 34(3), August 1981, 453-468.

Tilly, R. "German Industrialization and Gerschenkronian Backwardness", *Rivista di Storia Economica*, VI(2), June 1989, 139-164.

Burhop, C. "Did banks cause the German industrialization?", *EEH*, 43, 2006, 39-63.

Eichengreen, B. *Globalizing Capital*, 1996, Ch. 1-2, 3-44.

Webb, S.B. *Hyperinflation and Stabilization in Weimar Germany*, 1989. Chapters 2-4, 23-74.

Feinstein, C.H., P. Temin, G. Toniolo. *The European economy between the wars*, 1997, Chapters 2-3, 18-53.

[Optional: Neal, L. "Integration of International Capital Markets", *JEH*, 45(2), June 1985, 219-226.]

[Optional: Buchinsky, M. and B. Polak. "The Emergence of a National Capital Market in England, 1710-1880", *JEH*, 53(1), March 1993, 1-24.]

[Optional: White, E.N. "Making the French pay: The costs and consequences of the Napoleonic reparations", *EREH*, 5(3), December 2001, 337-365.]

[Optional: Guinnane, T. et al. "Ownership and Control in the Entrepreneurial Firm: An International History of Private Limited Companies", Economic Growth Center, Yale University, Center Discussion Paper No. 959, December 2007.]

## Suggestions for Summaries and Critiques

### Summaries

Don't feel that you need to be comprehensive or cover all aspects of the analysis. Just hit the high points. Here are some basic questions to help you get started:

- What is the big issue at stake in the paper?
- How does the author approach the issue? That is, how does s/he (re)formulate the problem to make it analytically tractable?
- What is the author's argument? What model (explicit or implicit) underpins the paper?
- What evidence/data does the author offer in support of his/her arguments. For quantitative papers, what techniques does s/he use to analyze the data?
- What are the main results?
- What conclusions, extensions or implications does the author draw from the results?

### Critiques

A successful critique will (a) evaluate the author on his/her own terms and then (b) take a step backward and assess the author's approach. The goal of any critique is to determine where the author has advanced the literature and where there is room to do things better. The best critiques don't ask the author to do the impossible or the impractical, but instead generate ideas about how our understanding of a problem might usefully be advanced.

Taking the author on his/her own terms:

- Does the author deliver on his/her promises and accomplish what s/he sets out to do?
- Is the paper internally coherent? That is, does its logic "work" within its own framework and set of assumptions?
- Does the author interpret his/her results correctly?

Assessing the author's approach:

- If the author narrows or changes the question in order to make it analytically tractable, does his/her re-formulation of the problem affect the conclusions we can draw from the study?
- Is the economic model (explicit or implicit) appropriate? Are there better ways to model the problem?
- Is the author ignoring data or other evidence relevant to the question?
- Are there better ways to analyze the data the author uses?
- Can the author's results be explained in other ways? That is, are the findings consistent with alternative hypotheses?
- Can you think of additional ways to explore the question or test the various alternative hypotheses?