

McGill University
Department of Economics
Class Time: Tue/Thu 8.35-9.55
Class Room: Leacock 212

Instructor: Dhanoos (Dee) Sutthiphisal
Office: 3610 McTavish, Room 11-3
Office Hours: Tue/Thu 10-11.20
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ECON 531: HISTORICAL EXPERIENCE OF ECONOMIC DEVELOPMENT WINTER 2010
ADVANCED UNDERGRADUATE (U3) AND GRADUATE

Course Objectives

The goal of this course is to introduce you to *some* of the issues that are relevant to understanding processes of long-term economic growth. We will study these issues from the historical experience of several (mostly developed) countries. Particularly, we will examine the patterns of economic growths across countries and geographic regions as well as the potential factors (or institutions) that may help promote long-term growth.

Course Prerequisites

A basic understanding of microeconomic theory and regression analysis is essential.

Textbooks

We will not use any textbooks in this course.

Course Requirements and Work Load

The course is geared for an advance level undergraduate (U3) and graduate students. There will be no distinction in grading between undergraduate and graduate students in this course.

There is one exam in this course. It will be a take-home exam conducted during the final exam period. You will be asked to answer four (or five) out of at least five (or six) questions given. For each question, you will need to respond to a statement related to what we learn in class by summarizing the relevant theories and evidence. In addition to the exam, your grade will be based on at least one small presentation, two team presentations, three short essays, and in class participation.

For the individual presentation, you will need to give a 20-minute presentation on a paper or a book (marked as ✓ on the reading list). You can either work alone or as a team of two.

For the first team presentation, I will randomly divide the class into several teams (The number of team members would be about 4-6. The names of the members for each team will be posted on the Class Web site by January 30.) Each team will work as a group taking on the role of EITHER the U.S. Department of Justice (or its equivalent in other country) OR the firm that is under an antitrust investigation (e.g. Microsoft Corporation). (The role and the antitrust case each team will tackle will be randomly assigned.) Each team is required to use the relevant economic concepts we learn in class (and from other courses) as well as facts from various sources to prepare its arguments for the case. You will need to work as a team on the preparation for the case. However, on the day of the team presentation, I will

randomly choose up to two members from your team to take the role of the lead lawyers to argue your case. The performance of the members who present will determine the entire team's grade. Each team will have 20 minutes to present its arguments for the case and 5 minutes to respond to the other team's arguments. (The team will have 5 minutes to prepare for its responses.)

For the second team presentation, form a team of up to 6 members on your own. You will work as a team to prepare a 25-minute presentation on one of the books marked as → on the reading list in section 5. Again, on the day of the team presentation, I will randomly choose up to two members from your team to do the presentation. The performance of the members who present will determine the team's grade.

In the individual and the second team presentations, you should summarize the work (e.g. research questions posed, methodology used, and types of evidence illustrated) as well as comment on the work (e.g. evaluate how reasonable the author's interpretations of evidence are, suggest alternative explanations for observed patterns, comment on the methodology used to test hypotheses, and suggest future research projects that could be developed from the work you have read). *For the presentation grade, I will take into account whether the presentation is clear to the audience or not. Send me an email by January 20 listing (by priority) your top 4 choices of papers/books for your individual presentation.* I will then post the individual presentation schedule on the WebCT discussion board. If you miss this January 20 deadline and all the slots when you can present have been taken, you will receive zero for individual presentation.

For the short essays, you need to turn in 3 essays during the semester. Each essay should be no more than 6 pages, double spaced, in Garamond 12pt font, and justify margins. The relevant papers and deadlines are listed in the reading list. There are 7 essays listed there. One of the essays that you turn in must be from Essay 1, 2 or 3. The other two essays can be from any of the rest. (You can turn in more than 3 and your grade will be from the 3 essays that give you the highest grades out of your total turn in.) Similar to the small presentation, you should summarize the work as well as comment on the work. *Your grade will be based mostly on content of the essays. However, I will take the quality of your writing into consideration.* (The essays will help you prepare for the exam as well.) See the following page for guideline in essay submission.

Throughout the semester I expect you to share your views with the class on the topics we will cover. For example, you should be willing to state whether you agree or disagree with the conclusions your classmates present in their presentations. Your class participation mark will depend on the quality and frequency of your comments.

From the above requirements, you can see that this will be a highly demanding course. It is also a course that you need to constantly work at throughout the semester. To do well in the course, you are expected to read all papers and books marked as ● ✓ → in the reading list. (The papers and books listed as ○ are optional.)

Suggestions for Summarizing and Critiquing Articles

Summary:

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 think about as you prepare your summary. What is the big issue at stake in this paper? How does the author approach this issue? That

is, how does he/she reformulate 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 does the author draw from the results?

Critique:

The trick to a successful critique is first to evaluate the author on his/her own terms and then to 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. 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? 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 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 than what 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?

Class Materials

Class materials such as notes and readings will be posted on the Class Web site. Note that you will need to access most of the papers on the reading list via McGill VPN.

Here is the list of journal abbreviation I use in the Class Web Site.

JEH = Journal of Economic History
EEH = Explorations in Economic History
QJE = Quarterly Journal of Economics
JEL = Journal of Economic Literature
JPE = Journal of Political Economy
AER = American Economic Review
RAND = Rand Journal of Economics
JEP = Journal of Economic Perspectives
REStat = Review of Economics and Statistics

Office Hours and Communication Policies

Regular office hours are listed on the first page. For students with a legitimate time conflict with the office hours, you can make an appointment with me by e-mail when you need help. I will also provide extra office hours before the final exam.

In addition to office hours, please feel free to ask me questions via the Internet. I encourage you to use the Class Discussion function in WebCT to ask me questions since they may also benefit your classmates. Should you need to contact me via email, please use the WebCT email system. Please do not contact me via my usual McGill email. For the night before the

exam or essay due date, I will answer your e-mails if and only if I receive them BEFORE 10 PM.

If there is an important announcement (e.g. extra office hours), I will also e-mail you. To be able to receive my announcements, you need to update your email address in Minerva.

Grade Assignment

For Scheme 1, you will receive a letter grade for the exam, presentations, essays, and in class participation. Your grade for the exam is based on a class distribution, whereas your grade for the rest is based on your own performance.

<u>Scheme 1</u>		<u>Letter Grade</u>	<u>Numeric Grade</u>	<u>Course Grade Lower Bound</u>
Participation	10%			
Individual Presentation	10%	A	4.0	3.85
First Team Presentation	15%	A-	3.7	3.50
Second Team Presentation	10%	B+	3.3	3.15
Essays (10% each)	30%	B	3.0	2.85
Final Exam	25%	B-	2.7	2.50
		C+	2.3	2.15
		C	2.0	1.85
		C-	1.7	na
		D+	1.3	na
		D	1.0	0.85
		D-	0.7	na
		F	0.0	0.00

For Scheme 2, you will receive the grade for the course based on the McGill percentage scale.

<u>Scheme 2</u>		<u>Letter Grade</u>	<u>Score Lower Bound</u>
Participation	10%		
Individual Presentation	10%	A	85%
First Team Presentation	15%	A-	80%
Second Team Presentation	10%	B+	75%
Essays (10% each)	30%	B	70%
Final Exam	25%	B-	65%
		C+	60%
		C	55%
		C-	na
		D+	na
		D	50%
		D-	na
		F	0%

The grade you receive will be from the scheme that yields the highest grade. For example, suppose you receive 50 out of 100 for the exam. For Scheme 1, the curve gives you a B for

the exam, while the McGill percentage scale in Scheme 2 gives you a D. Scheme 1 is obviously better than Scheme 2. Therefore, your grade will be determined by Scheme 1.

Supplemental Exam Policy

Only students who receive a final grade of D, F, or J may apply to take a supplemental exam. The supplemental exam will account for 25% of your grade. The supplemental exam cannot makeup for the essays, presentations, and class participation. Because I will not be able to curve your score, your grade for the course will be based on the McGill percentage scale as in Scheme 2 if you take the supplemental exam.

Academic Integrity Statement (It is mandatory that I put this in the syllabus.)

McGill University values academic integrity. Therefore all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see <http://www.mcgill.ca/integrity> for more information).

Right to Submit in English or French Written Work that is to be Graded

In accord with McGill University's Charter of Students' Rights, students in this course have the right to submit in English or in French any written work that is to be graded.

Essay Deadlines and Late Penalties

Extensions for submission of essays will only be given in cases of illness, where a medical certificate is provided. You need to submit a hard copy of each essay to me (for grading purpose) as well as an electronic version to TurnItIn.com (to verify authenticity). (Using TurnItIn.com will help me focus my grading on your ideas rather than putting an effort to check the authenticity of your work. Hence, I can give you the mark fairly and promptly.) By 5pm of the due date, you must submit an electronic version to TurnItIn.com. The hard copy can be submitted after 5pm but must be before 10.30am of the day after the due date. An essay submitted late (electronically) will lose 20% of the points a day (each 24-hour period from the deadline) including during the weekend. For example, suppose you earn 60 points out of 80 for the essay that was 1 day late. You will lose 12 points for the essay. (Your essay will be first assigned points without considering whether you are late or not. Then, the mark down will be applied.) No essays will be accepted after 5 pm of the 5th day after the due date. (Except in cases where a medical note has been supplied AND you have made arrangements with me in advance.)

Alternatives to Use of TurnItIn.com

Requests for exemption from the Turnitin.com requirement will NOT be considered after January 22, 2010. If you do not wish to use Turnitin.com, you must do the following. Submit to me, by January 22 at 5pm, a letter of intent stating that you do not wish to use TurnItIn.com. In the letter, you must also specify which of the two following alternatives you would like to use instead of submitting the essays to TurnItIn.com:

(1) Instead of the 3 essays, you can turn in a term paper. The term paper should be no more than 25 pages (excluding references), double spaced, in Garamond 12pt font, and justify margins. You will need to set up research question(s) that you would like to test empirically

on a topic related to what we cover in class, specify available data that you can use to test the hypotheses, and propose how you will proceed to do the tests. I will be available during office hours for consultation about how you intend to go about the term paper. In addition, your plan for the term paper must be approved by me by February 15. (To get approval, you need to set up an appointment with me to discuss your plan. If the plan is approved, I will send an email confirmation that you can keep for your records. The approval will be based on whether the propose paper is relevant to the class and the availability of the data that will help answer your research questions. In other words, the approval is my confirmation that you are on the right track for the term paper.) Your grade for the project will not be curved. Your grade will be based on both how well the dataset you propose to construct and the testing procedure you plan to perform help answer the questions of interest.

You will need to turn in the total of 3 drafts of your term paper. The first draft is due on March 5 at 5PM. The second draft is due on April 2 at 5PM. The final draft is due on April 13 at 5PM. You will only be evaluated on the final draft. The first and second drafts are meant to verify the integrity of your work as well as to provide me an opportunity to suggest readings and approaches. However, a failure to submit any of the first and second drafts by the deadline will result in a zero for the term paper.

All submissions must be in 2 hard copies. I will keep one copy for my file and return the other to you after it is graded. Similar to the essays submitted to TurnItIn.com, a final draft submitted late will lose 20% of the points a day (each 24-hour period from the deadline) including during the weekend.

(2) Still submit the three essays. You need to satisfy the same requirement as those who use TurnItIn.com. But, all of your submissions are in 2 hard copies and you must submit them by 5pm of the due date. I will keep one copy for my file and return the other to you after it is graded. In addition, you will need to take a 45-minute oral exam sometime between April 6 and April 13. Send me an email listing 4 time slots by priority by April 1. I will then send you an email confirmation of the date and time. Materials covered in the exam will be from all papers and books relevant to the 3 essays you turn in, i.e., that I would expect students who have done the four essays themselves will be able to answer.

Failure to follow the procedures set out above (and also do not use TurnItIn.com to submit the work) will result in a mark of zero for the term paper and the short-essays.

Course Schedule

Note that dates for topics to be covered below are tentative and subject to changes. Depending on your taste as a whole, we may shorten or extend one or more sections as we go along. (Of course, if we extend the discussion, I will not require you to read more materials than listed below.)

Required work is listed as ● ✓ (may be chosen for individual presentation) → (may be chosen for team presentation) in the reading list. Optional works are listed as ○.

1: Why should we care about history?

A. Why economic history? (Tue Jan 5)

- Albert Fishlow and Robert W. Fogel, “Quantitative Economic History: An Interim Evaluation,” *Journal of Economic History* 31 (March 1971): 15-42.
- Douglass C. North, “Beyond the New Economic History,” *Journal of Economic History*, 34 (March 1974): 1-7.
- Naomi R. Lamoreaux, “Economic History and the Cliometric Revolution,” in Anthony Molho and Gordon Wood, eds., *Imagined Histories: American Historians Interpret the Past* (Princeton: Princeton University Press, 1998), pp. 59-84.
- Jeremy Atack and Peter Passell, *A New Economic View of American History* (2nd ed.; New York: W. W. Norton, 1994). Timothy W. Guinnane, William A. Sundstrom, and Warren C. Whatley, eds., *History Matters: Economic Growth, Technology, and Demographic Change* (Stanford: Stanford University Press, 2003).
- Ha-Joon Chang, *Kicking Away the Ladder: Development Strategy in Historical Perspective* (London: Anthem, 2002).

2. How has the world been transformed?

A. How has the world been transformed? (Thu Jan 7)

- E.A. Wrigley, *Continuity, Chance, and Change* (Cambridge, 1988).
- Douglass North, *Structure and Change in Economic History* (New York, 1981), chapters. 1-5.

B. Was the rate of transformation equal in all countries? (Tue Jan 12)

- Lant Pritchett, “Divergence, Big Time,” *Journal of Economic Perspectives*, Winter 1997.
- Daron Acemoglu, Simon Johnson, and James A. Robinson, “Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution,” *Quarterly Journal of Economics* 117 (November 2002).

3. Why isn't the whole world transformed equally?: Possible institutional explanations

A. Some theories on institutions (Thu Jan 14)

- Douglass North, *Structure and Change in Economic History* (New York, 1981), chapters. 1-5.

B. Why some countries have bad institution? (Thu Jan 14 and Tue Jan 19)

Factor endowments

- Stanley L. Engerman and Kenneth L. Sokoloff, "Factor Endowments, Inequality, and Paths of Development among New World Economies," *Economia*, 3 (Fall 2002): 41-102.
- Stanley L. Engerman and Kenneth L. Sokoloff, "The Evolution of Suffrage Institutions in the New World," *Journal of Economic History* 65 (December 2005): 891-921.

Geography

- Daron Acemoglu and James A. Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review* 91 (Dec. 2001): 1369-1401.
- Daron Acemoglu, Simon Johnson, and James A. Robinson, "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *Quarterly Journal of Economics*, 117 (Nov. 2002): 1231-94.

Law

- Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny, "Legal Determinants of External Finance," *Journal of Finance* 52 (July 1997): 1131-50.
- Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny, "Law and Finance," *Journal of Political Economy* 106 (Dec. 1998): 1113-55.

Culture

- ✓ Avner Greif, "Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies," *Journal of Political Economy* (October 1994).

Essay 1 for materials relevant to 3A and 3B (due on Tue Jan 26)

C. The short and long-term (tragic) consequence of institutions (Thu Jan 21, Tue Jan 26 and Thu Jan 28)

Path dependency

- Paul David, “Understanding the Economics of Qwerty: The Necessity of History,” in William Parker (ed.), *Economic History and the Modern Economist* (1986).

The aftermath of U.S. slavery as a case study

- Richard J. Butler, James J. Heckman, and Brook Payner, “The Impact of the Economy and the State on the Economic Status of Blacks: A Study of South Carolina,” in *Markets in History: Economic Studies of the Past*, ed. David Galenson (New York: Cambridge University Press, 1989), pp. 231-346.
- ✓ Robert A. Margo, *Race and Schooling in the South, 1880-1950: An Economic History* (Chicago: University of Chicago Press, 1990).
- ✓ James R. Irwin and Anthony Patrick O’Brien, “Economic Progress in the Postbellum South? African-American Incomes in the Mississippi Delta, 1880-1910,” *Explorations in Economic History* 38 (Jan. 2001): 166-94.
- Gavin Wright, *Old South, New South: Revolutions in the Southern Economy Since the Civil War* (New York: Basic Books, 1986), chapters 1, 3 and 4.
- Gary M. Walton and James F. Shepherd, eds., *Market Institutions and Economic Progress in the New South, 1865-1900* (New York: Academic Press, 1981).

The effects of slavery in Africa as a case study

- ✓ Martine Mariotti, “Desegregating Labor Markets in the Apartheid Regime,” Mimeo, UCLA, 2007.
- ✓ Nathan Nunn, “The Long-Term Effects of Africa’s Slave Trades,” NBER Working Paper, 2007.

Background reading: the slavery (efficiency) debate (read if you are interested in the subject)

- Robert William Fogel and Stanley L. Engerman, *Without Consent or Contract*.
- Gavin Wright, *The Political Economy of the Cotton South* (New York: W. W. Norton, 1978).
- Robert W. Fogel and Stanley L. Engerman, “Explaining the Relative Efficiency of Slave Agriculture in the Antebellum South,” *American Economic Review*, 67 (June 1977): 275-96.
- Donald F. Schaefer and Mark D Schmitz, “The Relative Efficiency of Slave Agriculture: A Comment,” Paul A. David and Peter Temin, “Explaining the Relative Efficiency of Slave Agriculture in the Antebellum South: Comment,” and Gavin Wright, “The Efficiency of Slavery: Another Interpretation,” *American Economic Review*, 69 (March 1979): 208-26.
- Robert W. Fogel and Stanley L. Engerman, “Explaining the Relative Efficiency of Slave Agriculture in the Antebellum South: Reply,” *American Economic Review*, 70 (September 1980): 672-90.

Essay 2 for materials relevant to 3C (due on Thu Feb 4)

4. Why isn't the whole world transformed equally?: Possible determinants of economic development

A. The Process of Economic Development: Leading Sectors or the Whole Economy?
(Tue Feb 2)

- Robert William Fogel, "Notes on the Social Saving Controversy," *Journal of Economic History* 39 (March 1979): 1-54.
- W. W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge, Eng.: Cambridge University Press, 1960).
- Robert William Fogel, *Railroads and American Economic Growth: Essays in Econometric History* (Baltimore: Johns Hopkins Press, 1964).
- Sukkoo Kim, "Expansion of Markets and the Geographic Distribution of Economic Activities: The Trends in U.S. Regional Manufacturing Structure, 1860-1897," *Quarterly Journal of Economics* 110 (Nov. 1995): 881-908.

Identifying factors that may facilitate (or hinder) economic development: a case of the Industrial Revolution

B. Why should we care about technological progress? (Thu Feb 4)

- Robert M. Solow, "Technical Change and the Aggregate Production Function," *Review of Economics and Statistics* 39 (1957).

C. Background on the Industrial Revolution (Thu Feb 4)

- N. F. R. Crafts and C. Knick Harley, "Output Growth and the Industrial Revolution: A Restatement of the Crafts-Harley View," *Economic History Review* (November 1992).
- Peter Temin, "Two Views of the Industrial Revolution." *Journal of Economic History* 57 (January 1997).
- Jan de Vries, "The Industrial Revolution and the Industrious Revolution," *Journal of Economic History* (June 1994).
- Gregory Clark, "Why Isn't the Whole World Developed? Lessons from the Cotton Mills," *Journal of Economic History* (March 1987).
- Daron Acemoglu, Simon Johnson, and James Robinson, "The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth," *American Economic Review* (June 2005).

D. Population growth and agriculture (Thu Feb 4)

- David R. Weir, "'Life under Pressure: France and England, 1670-1870," *Journal of Economic History* (March 1984).
- ✓ George Boyer, "Malthus Was Right After All: Poor Relief and Birth Rates in Southeastern England," *Journal of Political Economy* (February 1989).
- Clark, Gregory and Gillian Hamilton, "Economic Status and Reproductive Success in New France," *Journal of Economic History* (September, 2006).
- Robert Allen, "Agriculture During the Industrial Revolution," in Roderick Floud and Paul Johnson, eds., *The Cambridge Economic History of Modern Britain: Volume I: Industrialization, 1700-1860* (Cambridge, England, 2004).
- Thomas Malthus, *An Essay on the Principle of Population* (1798), Chapters 1-2.

E. Extent of markets and financing (Tue Feb 9 & Thu Feb 11)

- Kenneth L. Sokoloff, “Inventive Activity in Early Industrial America: Evidence from Patent Records, 1790-1846,” *Journal of Economic History*, 48 (Dec. 1988): 813-30.
- B. Zorina Khan and Kenneth L. Sokoloff, “‘Schemes of Practical Utility’: Entrepreneurship and Innovation among ‘Great Inventors’ in the United States, 1790-1865,” *Journal of Economic History*, 53 (June 1993): 289-307.
- ✓ Naomi Lamoreaux, Magaret Levenstein, and Kenneth L. Sokoloff, “Financing Invention during the Second Industrial Revolution: Cleveland, Ohio, 1870-1920,” NBER Working Paper No. 10923 (2004).
- ✓ Naomi R. Lamoreaux, Kenneth L. Sokoloff, and Dhanoos Sutthiphisal, “The Reorganization of Inventive Activity in the United States during the Early Twentieth Century,” NBER Working Papers No. 15440 (2009).
- Ross Levine, “Financial Development and Economic Growth: Views and Agenda,” *Journal of Economic Literature* (June 1997).
- Naomi R. Lamoreaux, *Insider Lending: Banks, Personal Connections, and Economic Development* (New York: Cambridge University Press 1994), Introduction and Chapters 1 and 3.
- ✓ Philip Hoffman, Gilles Postel-Vinay, and Jean-Laurent Rosenthal, “Private Credit Markets in Paris, 1690-1840,” *Journal of Economic History* (June 1992).
- Naomi Lamoreaux and Kenneth L. Sokoloff, “The Geography of Invention in the American Glass Industry, 1870-1925,” *Journal of Economic History* 60, No. 3 (September 2000): 700-729.
- Naomi R. Lamoreaux and Kenneth L. Sokoloff, “Intermediaries in the U.S. Market for Technology, 1870-1920,” in *Finance, Intermediaries, and Economic Development*, ed. Stanley L. Engerman, et al. (New York: Cambridge University Press, 2003), pp. 209-46.

F. Investment in human capital (Tue Feb 16)

- Dhanoos Sutthiphisal, “Learning-by-producing and the Geographic Links between Invention and Production: Evidence from the Second Industrial Revolution,” *Journal of Economic History* (Dec. 2006).
- Shih-tse Lo and Dhanoos Sutthiphisal, “Crossover Inventions and Knowledge Diffusion of General Purpose Technologies: Evidence from the Electrical Technology,” Mimeo 2009.

Essay 3 for materials relevant to 4A and 4D-4F (due on Tue Mar 2)

G. Legal (or institutional) foundations (Thu Feb 18 & Tue Mar 2– No class during Feb 22 – Feb 28)

Law (Thu Feb 18)

- Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny, “Law and Finance,” *Journal of Political Economy* 106 (Dec. 1998): 1113-55.
- ✓ Naomi Lamoreaux and Jean-Laurent Rosenthal “Organizational Choice and Economic Development: A Comparison of France and the United States during the Mid Nineteenth Century,” NBER Working Paper No. 10288 (2004).

Property rights (Thu Feb 18)

- ✓ Jean-Laurent Rosenthal, “The Development of Irrigation in Provence, 1700-1860: The French Revolution and Economic Growth,” *Journal of Economic History* (Sep. 1990).

Intellectual property rights (Tue Mar 2)

- Shih-tse Lo and Dhanoos Sutthiphisal, “Does It Matter Who Has the Right to Patent: First-to-invent or First-to-file? Lessons from Canada,” Mimeo 2009.
- ✓ Petra Moser, “How Do Patent Law Influence Innovation? Evidence from the Nineteenth-Century World’s Fairs,” *American Economic Review* (September 2005).
- Shih-tse Lo, “Strengthening Intellectual Property Rights: Experience from the 1986 Taiwanese Patent Reforms,” Mimeo 2007.
- Mariko Sakakibara and Lee Branstetter, *Rand Journal of Economics* 32, No. 1 (Spring 2001): 77-100.
- B. Zorina Khan, *Democratization of Invention*, 2005.

Essay 4 for materials relevant to 4G (due on Tue Mar 9)

H. How the Industrial Revolution induced changes in organizational structure (Thu Mar 4 and Tue Mar 9)

Organization of labor

- Kenneth L. Sokoloff and David Dollar, “Agricultural Seasonality and the Organization of Manufacturing During Early Industrialization: The Contrast Between Britain and the United States,” *Journal of Economic History*, 57 (June 1997): 288-321.
- Claudia Goldin and Kenneth L. Sokoloff, “Women, Children, and Industrialization in the Early Republic: Evidence from the Manufacturing Censuses,” *Journal of Economic History*, 42 (Dec. 1982): 741-74.
- ✓ Micheal Huberman, “Working Hours of the World Unite,” *Journal of Economic History* (2004).

Organization of the firm

- ✓ Alfred D. Chandler, Jr., *Scale and Scope: The Dynamics of Industrial Capitalism* (Cambridge, Mass., 1990), chapter 3.
- ✓ Naomi R. Lamoreaux, *The Great Merger Movement in American Business, 1895-1904* (New York: Cambridge University Press, 1985), chapters 1, 3 and 4.
- Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass.: Harvard University Press, 1977).

Essay 5 for materials relevant to 4H (due on Tue Mar 16)

I. Competition and the government (Tentative dates for team presentations are Thu Mar 11 and a special 3-hour class on Fri Mar 12. The actual teams to present on Mar 11 will be assigned randomly on the spot. In other words, every team must be prepared to be called up to present on Mar 11. Also, attendance is mandatory for both Mar 11 and 12.)

- Dennis W. Carlton and Jeffrey M. Perloff, *Modern Industrial Organization*, Fourth Edition, 2005, Chapter 19.
- Harold Demsetz, *The Economics of the Business Firm: Seven Critical Commentaries* (1996), Seventh commentary.

The readings in this section are for the first team presentation.

J. Other roles of government (Thu Mar 18 – No regular class on Tue Mar 16.)

- Douglass North and Barry Weingast, “Constitution and Commitment: The Evolution of Institutions Governing Public Choice in 17th Century England,” *Journal of Economic History* (December 1989): 803-32.
- ✓ Daniel Bogart, “Turnpike Trusts and the Transport Revolution in Eighteenth Century England,” *Journal of Economic History* (September 2005).
- Paul A. David and Gavin Wright, “Increasing Returns and the Genesis of American Resource Abundance,” *Industrial and Corporate Change*, 6 (March 1997): 203-45.
- Claudia Goldin and Lawrence Katz, “Human Capital and Social Capital: The Rise of Secondary Schooling in America, 1910-1940,” *Journal of Interdisciplinary History* 29, No. 4 (Spring 1999): 683-723.
- Raghuram G. Rajan and Luigi Zingales, “The Great Reversals: The Politics of Financial Development in the Twentieth Century,” *Journal of Financial Economics*, 69 (July 2003): 5-50.
- ✓ Alan L. Olmstead and Paul W. Rhode, “The Red Queen and the Hard Reds: Productivity Growth in American Wheat, 1800-1940,” *Journal of Economic History* 62 (Dec. 2002): 929-66.
- ✓ Zaynep K. Hansen and Gary D. Libecap, “Small Farms, Externalities, and the Dust Bowl of the 1930s,” *Journal of Political Economy*, 112 (June 2004): 665-94.
- Francois Velde and Thomas Sargent, “The Macro-Economic Causes of the French Revolution,” *Journal of Political Economy* (1995).

Essay 6 for materials relevant to 4J (due on Thu Mar 25)

5. Big picture, big think: A re-examination of why the whole world isn't transformed equally

Why Europe? (No regular class on Tue Mar 23. Tentative dates for team presentations are Thu Mar 25 and a special 3-hour class on Fri Mar 26. The actual teams to present on Mar 25 will be assigned randomly on the spot. In other words, every team must be prepared to be called up to present on Mar 25. Also, attendance is mandatory for both Mar 25 and 26.)

- Alexander Gerschenkron, "Economic Backwardness in Historical Perspective," in A. Gerschenkron, *Economic Backwardness in Historical Perspective* (Cambridge, 1962).
- Eric Jones, *The European Miracle* (New York 1988).
- Kenneth Pomeranz, *The Great Divergence* (Princeton 2000).
- Jared Diamond, *Guns, Germs, and Steel* (New York 1997).
- David Landes, *The Wealth and Poverty of Nations* (New York 1998).
- Robert C. Allen, *The British Industrial Revolution in Global Perspective* (Cambridge 2009).
- Joseph Needham, *Science and Civilization in China, Vol. 1* (Cambridge University Press, Cambridge, UK, 1954).
- David Landes, *The Unbound Prometheus* (Cambridge, 1969).
- R. Bin Wong, *China Transformed: Historical Change and the Limits of European Experience* (Ithaca: Cornell University Press, 1997), pp. 13-52.
- Stephen Broadberry and Bishnupriya Gupta, "The Early Modern Great Divergence: Wages, Prices and Economic Development in Europe and Asia, 1500-1800," *Economic History Review* (February 2006).

Note that in this section you are required to read only the Gerschenkron article, the book your team will be presenting, and another book (any one of the five books is fine).

6. Welfare and economic growth: Are we better off?

A. Trends in equality (Thu Apr 1. – No regular class on Tue Mar 30.)

- Simon Kuznets, "Economic Growth and Income Inequality," *American Economic Review* 45 (March 1955): 1-28.
- Thomas Piketty and Emmanuel Saez, "Income Inequality in the United States, 1913-1998," *Quarterly Journal of Economics* 118 (Feb. 2003): 1-39.
- ✓ Joseph Ferrie and Jason Long, "A Tale of Two Labor Markets: Career Mobility in Britain (1851-1881) and the U.S. (1850-1880)," NBER Working Paper No. 11253 (2005).
- Peter H. Lindert, "Unequal English Wealth Since 1670," *Journal of Political Economy* (December 1986).
- Thomas Piketty, Gilles Postel-Vinay, and Jean-Laurent Rosenthal, "Wealth Concentration in a Developing Economy: Paris and France, 1807-1994," *American Economic Review* (March 2006).

B. Are we better off? (Tue Apr 6 and Thu Apr 8 – No regular class on Tue Apr 13.)

- Claudia Goldin, “Marriage Bars: Discrimination against Married Women Workers from the 1920s to the 1950s,” in Patrice Higonnet, David S. Landes and Henry Rosovsky, eds., *Favorites of fortune: Technology, growth, and economic development since the Industrial Revolution*, (Harvard University Press, Cambridge, MA, 1991): 511–36.
- Claudia Goldin, “The Quiet Revolution that Transformed Women’s Employment, Education, and Family,” (Ely Lecture) *American Economic Review*, Papers and Proceedings (May 2006).
- Robert W. Fogel, “Economic Growth, Population Theory, and Physiology: The Bearing of Long-Term Processes on the Making of Economic Policy,” *American Economic Review* 84 (June 1994): 369-95.
- Richard Easterlin, “Will Raising the Incomes of All Increase the Happiness of All?” *Journal of Economic Behavior and Organization*, 27 (June 1995): 35-47.
- Robert W. Fogel, “Catching up with the Economy,” *American Economic Review* (March 1999): 1-21.
- Claudia Goldin, *Understanding the Gender Gap: An economic history of American women* (Oxford University Press, Oxford, 1990).
- Robert W. Fogel, “The Conquest of High Mortality and Hunger in Europe and America, some preliminary findings,” In D. Landes, P. Higonnet, and H. Rosovsky eds, *Favorites of Fortune*. Cambridge Harvard University Press, 1991.

Essay 7 for materials relevant to 6A and 6B (due Thu Apr 15)
