

INTERNATIONAL ECONOMIC HISTORY (21317)

HISTÒRIA ECONÒMICA INTERNACIONAL

Language of instruction: English

Course Overview

The aim of this course is to get students to consider some of the key issues of long-run economic change. At first the course examines a variety of distinct approaches to long-run economic history that have been put forward in the literature and analyses them in light of the available evidence. Specifically, the role of war, culture, technology, entrepreneurship, trade, exploitation, geography and institutions will be assessed. The latter part of the course considers particular historical episodes, such as the British Industrial Revolution, and contemporary issues, like the on-going Great Recession, with a view to “apply the theories on the ground”. The course is thematic and does not attempt to survey exhaustively the grand sweep of world economic history.

Competencies to be attained

By the end of the course students should be able to:

- *have the ability to evaluate critically the contrasting views of different scholars about the determinants of economic growth and long-run economic history

- * have an understanding of the main issues and debates in the field of international economic history

- *appreciate the way in which distinct approaches, including historical narratives and economic models using quantitative methods, are used to build up general/“big picture” views of economic change

ASSESSMENT

Final Exam: 60%

Essay: 20%

Seminars:

Class Participation 20%

Each student is expected to write at least one paper (essay) of approximately 1,500 words in this course. At this level an essay that uses less than three sources is unlikely to be successful. The questions for the essay will be released by the end of week 2. The **deadline** for submission of this summative piece will be **Friday** the **22nd** of **February**.

Attendance is compulsory and you must undertake sufficient preparation before the weekly seminars (taken place on weeks 4, 5, 6, 7, 8 and 9) to enable you to participate actively every week. Bear in mind that seminars are student-led, in which every one of you are expected to exchange his/her ideas with the rest of the class. Your class teacher will ensure the environment for lively debate is adequate, which will help in testing your arguments in a constructive manner. **Individual participation in seminars is thus essential** and it is a significant component of your final mark (20%).

Course Outline & Preparatory Readings

* Denotes mandatory reading

INTRODUCTION

Monday 7th January

1. Pre-industrial Economies, Modern Economic Growth, and Divergence

No preparatory readings for this class

Tuesday 8th January

2. Development: Models, Backwardness, and Catch Up

* Abramovitz, M. "Catching Up, Forging Ahead and Falling Behind" in *Journal of Economic History* (1986) Vol. 46, No. 2, pp. 385-406

APPROACHES TO LONG-RUN ECONOMIC HISTORY

Monday 14th January

3. War and Geopolitics

* O'Brien, P. K. "The Contributions of Warfare with Revolutionary and Napoleonic France to the Consolidation and Progress of the British Industrial Revolution" (2011) in LSE Economic History Working Papers No. 150

Findlay, R. and O'Rourke, K. "Power and Plenty: Trade, War and the World Economy in the Second Millennium" (2007) Preface and Ch. 7

Hoffman, F. "Prices, the Military Revolution and Western Europe's Comparative Advantage in Violence" in *Economic History Review* (2011) No. 64, S1, pp. 39-59

Tuesday 15th January

4. Trade (*Smithian* growth)

* Hicks, J. "A Theory of Economic History" (1969) Ch. 3

* Myint, H. "The 'Classical Theory' of International Trade and the Underdeveloped Countries" in *The Economic Journal* (1958) Vol. 48, pp. 317-37

Jones, E. L. "The European Miracle" Ch. 5

Monday 21st January

5. Technology (*Schumpeterian* growth)

* Mokyr, J. "The Lever of Riches: Technological Creativity and Economic Progress" (1990) Ch. 7

Landes, D. "The Wealth and Poverty of Nations" (1998) Ch. 4

Rosenberg, N. "Inside the Black Box: Technology and Economics" (1982)
Ch. 1

Tuesday 22nd January

6. Entrepreneurship

*Gerschenkron, A. "Social Attitudes, Entrepreneurship and Economic Development" in his *Economic Backwardness in Historical Perspective* (1962)

Nicholas, T. "Technology, Innovation and Economic Growth in Britain since 1870" (2012) HBS WP. No. 13-032

Leff, N. "Entrepreneurship and Economic Development: The Problem Revisited" in *Journal of Economic Literature* (1979) Vol. 17, No. 1, pp. 46-64

Monday 28th January

7. Culture and Religion

*McCloskey, D. "Bourgeois Dignity: Why Economics Can't Explain the Modern World" (2010) Ch. 1-3

Jones, E. L. "Cultures Merging: A Historical and Economic Critique of Culture" (2006) pp. 194-221

Kuran, T. "The Long Divergence: How Islamic Law Held Back the Middle East" (2011) Ch. (Ch 1 & 2)

Landes, D. "The Wealth and Poverty of Nations" (1998)

Tuesday 29th January

8. Exploitation and Colonialism

*O'Brien, P. K. and Prados de la Escosura, L. "Balance Sheets for the Acquisition, Retention and Loss of European Empires Overseas" in *Itinerario* (1999) No. 23, pp. 25-52

Austin, G. "Economic Imperialism" in Mokyr, L. (Ed) *Oxford Encyclopedia of Economic History* (2003) Vol. II, pp. 145-55

Frank, A. G. "Capitalism and Underdevelopment in Latin America" (1969)

Acemoglu, D., Johnson, S. and Robinson, J. "The Colonial Origins of Comparative Development: An Empirical Investigation" in *American Economic Review* (2001) Vol. 91, No. 4, pp. 1369-1401

Monday 4th February

9. Geography and the Resource Curse

*Engerman, S. and Sokoloff, K. "Factor Endowments, Inequality and Paths of Development among New World Economies" (2002) NBER Working Paper No. 9259

Diamond, J. "Guns, Germs and Steel; The Fates of Human Societies" (1997) prologue, pp. 13-32 (Prologue), 53-65 (A Natural Experiment) and Epilogue

Pomeranz, K. "The Great Divergence: China, Europe and the Making of the Modern world Economy" (2000)

DiJohn, J. "The Resource Curse: Theory and Evidence" (2010) ARI No. 172

Tuesday 5th February

10. Institutions (I): Property rights, credible commitments, productive/extractive, persistence

*Acemoglu, D., Johnson, S. and Robinson, J. "Institutions as the Fundamental Cause of Long-Run Growth" in CEPR Discussion Papers (2004) No. 4418

Acemoglu, D. and Robinson, J. "Why Nations Fail" (2011)

Haber, S., Maurer, N. and Razo, A. "The Politics of Property Rights: Political Instability, Credible Commitments and Economic Growth in Mexico, 1876-1929" (2003) Ch. 1 and 2

Monday 11th February

11. Institutions (II): Finance: Banks and Financial Markets

*Levine, R. "Financial Development and Economic Growth: Views and Agenda" in *Journal of Economic Literature* (1997) Vol. 35, pp. 688-726

*Haber, S. "Industrial Concentration and the Capital Markets: A Comparative Study of Brazil, Mexico and the United States, 1830-1930" in *The Journal of Economic History* (1991) Vol. 51, No. 3, pp. 560-80

Cameron, R. "Banking in the Early Stages of Industrialization: A Study in Comparative Economic History" (1969)

Tuesday 12th February

12. Institutions (III): States: fiscal, predatory and developmental

*North, D. and Weingast, B. "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth Century England" in *Journal of Economic History* (1989) 49(4), pp. 803-32

*O'Brien, P. K. "The Nature and Historical Evolution of an Exceptional Fiscal State and its Possible Significance for the Precocious Commercialization and Industrialization of the British Economy from Cromwell to Nelson" in *Economic History Review* (2011) 64 (4), pp. 408-46

Evans, P. "Predatory, Developmental and Other Apparatuses: A Comparative Political Economy Perspective on the Third World State" in *Sociological Forum* (1989) pp. 561-87

HISTORICAL EPISODES & CONTEMPORARY ISSUES

Monday 18th February

13. The British Industrial Revolution (I)

*Crafts, N. "Output Growth and the British Industrial Revolution: A Restatement of the Crafts-Harley View" in *Economic History Review* (1992) Vol. 45, No. 4, pp. 703-30

De Vries, J. "The Industrial Revolution and the Industrious Revolution" in *Journal of Economic History* (1994) 54, pp. 249-70

Mokyr, J. "The British Industrial Revolution: An Economic Perspective" (1999) Ch. 1 (editor's introduction)

Tuesday 19th February

14. The British Industrial Revolution (II)

Wrigley, E. A. "The Transition to an Advanced Organic Economy" in *Economic History Review* (2006) 59(3) pp. 435-80

*Allen, R. "Why the Industrial Revolution was British: Commerce, Induced Invention and the Scientific Revolution" in *Economic History Review* (2010) 64 (2), pp. 357-84"

Monday 25th February

15. Late-Industrialisation (I): Latin America's Failure

*Taylor, A. "On the Costs of Inward-Looking Development: Price Distortions, Growth and Divergence in Latin America" in *Journal of Economic History* (1998) 58 (1) pp. 1-28

Cárdenas, E., Ocampo, J. A. and Thorp, R. (Eds) *An Economic History of Twentieth-Century Latin America* (2000) Vol. 3, Ch. 1

Tuesday 26th February

16. Late-Industrialisation (II): East Asia's Success

*Rodrik, D. "Getting Interventions Right: How South Korea and Taiwan Grew Rich" NBER Working Papers 4964(1994)

Krugman, P. "The Myth of Asia's Miracle" in *Foreign Affairs* (1994) Vol. 73, No. 6

Chang, H-J. "The Political Economy of Industrial Policy in Korea" in *Cambridge Journal of Economics* (1993) Vol. 16, No. 2

Monday 4th March

17. Globalisation

*Crafts, N. "Globalization and Economic Growth: A Historical Perspective" in *The World Economy* (2004) pp. 45-58

Greif, A. "Institutions and International Trade: Lessons from the Commercial Revolution" in *American Economic Review* (1992) 82(2)

Tuesday 5th March

18. Inequality

* Wilkinson, R. and Pickett, K. "The Spirit Level: Why More Equal Societies Almost Always Do Better" (2009) Ch. tbc

Milanovic, B. "The Haves and the Have-Nots: A Brief and Idiosyncratic History of Global Inequality" (2011) Ch. tbc

Monday 11th March

19. The Great Recession in Historical Perspective

*Reinhart, C. and Rogoff, K. "This Time is Different: Eight Centuries of Financial Folly" (2009) Ch. tbc

Crafts, N. and Fearon, P. "Lessons from the 1930s Great Depression" (2010) CEPR 8057

Reinert, E. "Mechanisms of Financial Crises in Growth and Collapse: Hammurabi, Schumpeter, Perez and Minsky" (2012) TUT-WP 39

Tuesday 12th March

20. Review: What have we Learnt