

Economic History of Europe
Economics 4514-003

Course Syllabus and Reading List

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Office Hours:
T 2.00-3.00pm, W 10.30-11.30am
and by appointment

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This course draws on economic reasoning to examine the transformation of European economies from a circumstance in which Malthusian population pressure on resources was the dominant historical force to one in which the growth of population and income per-capita has become the norm for industrialized countries. This transformation, covering the period from roughly 1200-1900, marks one of history's great changes yet the underlying causes of the process are only dimly understood. This course aims to provide both historical perspective and experience in the application of economic analysis to major issues. The topics of the course divide into three chronological and logical sections. The first examines what many think of as the preconditions of European economic development, paying particular attention to the demographic, technological and institutional changes that supported growth. The second section focuses on the Industrial Revolution in England and Europe, asking what exactly it was, how can it be measured and who benefitted? The third examines the establishment, or not, of modern economic growth in other European economies. This course also enables us to explore the question "why are some so rich and some so poor?"

Requirements and Evaluation:

This course will be a combination of lecture material and in-class discussion. Students are expected to have done the specified readings before class and will be called upon to answer questions or to discuss points raised during the class. You are responsible for all the material on the reading list.

Your grade will have the following components: a midterm exam (30%); a final exam (40%); a group presentation (10%); a group written assessment (15%); and class attendance taken randomly (5%).

Presentation and Assessment:

You will each be in a group of 4 and be responsible for a 20 minute presentation of a journal article from the reading list. This presentation will be followed by questions on your article from the class

and from Prof. Carlos. You will know the date and article for your presentation in early September. Prior to your presentation, each group will schedule a brief organizational meeting with Prof. Carlos. Each group will hand in a six page written assessment of the article one week after the class presentation. More exact details will be provided in class.

Examinations:

Both the midterm and the final examinations will be take home examinations and will be posted on the class site on the Economics Department home page under courses. All examinations must be double spaced and typed.

Midterm 1 - posted October 07 -- Due October 14 in class
Final Exam - posted December 2 – Due no later than Dec 11 4.00pm

Policy on Late Work:

There will be NO make-up examinations and NO late papers will be accepted.

Cheating and plagiarism are academic offenses and any student caught cheating or plagiarizing will be sanctioned. If there is any person in the class who is uncertain about what constitutes either cheating or plagiarism, he/she should consult me the University of Colorado Catalog. In addition, obtaining material from “pre-written” sources available on the internet is *definitely* considered an academic offense! Department policy regarding disabilities , religious holidays and other issues is given on the first page of the course site <www.colorado.edu/Economics/courses> and will be followed.

Required Texts:

- Robert C. Allen, *The British Industrial Revolution in Global Perspective*, 2009.
- Joel Mokyr, *The Lever of Riches*

The book chapters listed below can be found on E Reserves (password: malthus) and the articles through the Chinook Catalogue.

Topics and Readings:

1. Origins of Modern Economic Growth: What do we mean by growth and by development now and then?

The central theme of this course is the development of the modern economy in Europe. A question which must be addressed, therefore, is exactly how this modern economy differs from the traditional agrarian economy which preceded it. What are the variables one would use to distinguish between a modern and a traditional society? This, it should be realized, is the same question addressed in

courses on development economics, although from a different perspective.

United Nations Development Report (UNDP) 2009 (or any recent year).

Jared Diamond, *Guns Germs and Steel*, chs 8,9,10. (e-reserves)

Rondo Cameron and Larry Neal, *A Concise Economic History of the World*, ch. 1.(e-reserves)

Jeremy Atack and Peter Passell, *A New Economic View of American History*, 2nd ed, ch. 1.(e-reserves)

N.F.R. Crafts, *British Economic Growth During the Industrial Revolution* ch. 3.(e-reserves)

Robert E. Hall and Charles I. Jones, “Why Do Some Countries Produce So Much More Output Per Worker than Others?” *Quarterly Journal of Economics*, vol 114, 1999:83-116.

2. European Divergence

When did European growth diverge from the rest of the world?

Ronald Findlay and Kevin O’Rourke, *Power and Plenty* chs. 2 and 3.(e-reserves)

Robert C. Allen, *The British Industrial Revolution in Global Perspective*, ch. 2.

Robert C. Allen, “The Great Divergence in European Wages and Prices from the Middle Ages to the First World War”, *Explorations in Economic History*, Vol 38, October 2001: 411-47.

Group 1 Suleyman Ozmucur and Sevket Pamuk, ‘Real wages and standards of Living in the Ottoman Empire, 1489-1914’. *Journal of Economic History* 62(2) 2002: 225-247.

Wolfgang Keller and Carol Shiue, “Markets in China and Europe on the eve of the Industrial Revolution” *American Economic Review*, September 2007.

3. Demography and income: A Malthusian Framework

Perhaps the most important issue in a long term study of economic development is man’s relationship to the environment. That relationship is probably best summarized by the numbers of humans on the one hand and the standard of living experienced on the other. For many pre-modern economies, per capita income and population were inversely related. This description is generally tied to the work of Malthus. Attempts have been made to model the many aspects of this relationship. In particular, European marriage and reproduction patterns appear to be significantly different from those that prevailed in most societies.

Gregory Clark, *A Farewell to Alms*, ch. 2. (e-reserves)

Tine De Moor and Jan Luiten Van Zand 0.0tsG mos

E.A. Wrigley and Roger Schofield, *The Population History of England, 1541-1871: A Reconstruction*, 1981, ch.11.
Cormac Ó Gráda. *Famine: A Short History*, ch 4. (e-reserves)
Kevin O'Rourke "Did the Great Irish Famine Matter?" *Journal of Economic History*, March 1991.

4. **TECHNOLOGY: Uses and Diffusion**

Any study of economic change must pay attention to changes in the quantity of resources and to changes in the technology and labor. The standard of living for all pre-modern societies depended both on the level of technology and on the size of the population. Here we examine the role played by technology very broadly defined and how increases in the resource base (i.e. land available), or improvements in the way the existing resources were managed.

Joel Mokyr, *The Lever of Riches: Technological Creativity and Economic Progress*, Oxford: Oxford University Press, 1990, pp 31-56.

Group 2 S. R. Epstein, "Craft Guilds, apprenticeships and technical change in pre-industrial Europe" *Journal of Economic History*, 58 (1998) pp. 684-713

Joel Mokyr, "The Intellectual Origins of Modern Economic Growth," *Journal of Economic History*, 65 (2005), pp. 285-351.

5. **Agriculture: Medieval to Early Modern**

Agriculture was, for centuries, the dominant sector in economic activity. Agricultural output determined food prices, standards of living and population. The operation of the agricultural sector was of primary importance.

Joel Mokyr, *The Lever of Riches: Technological Creativity and Economic Progress*, Oxford: Oxford University Press, 1990, ch. 8.

McCloskey, Donald N. 'The Enclosure of Open Fields: Preface to a Study of Its Impact on the Efficiency of English Agriculture in the Eighteenth Century', *Journal of Economic History*, 32(1) (1972), pp. 15-35.

Gary Richardson, "The Prudent Village: Risk Pooling Institutions in Medieval English Agriculture," *Journal of Economic History*, vol 65, no.2, June 2005: 386-413.

Group 3 Metin Cosgel, "Risk Sharing in Medieval Agriculture", *Journal of European Economic History*, vol. 21, no.1, Spring 1992 (e-reserves)

Group 4 Eona Karackacili, "English Agrarian Labor Productivity Rates Before the Black Death," *Journal of Economic History*, vol 64, March 2004.

6. Agricultural Revolution: Early Modern Agriculture and Institutional Change.

An important topic for England has been enclosures. It has often been argued that changes in property rights, in the form of Parliamentary enclosures, were an extremely important episode in Britain's ability to industrialize. Others de-emphasize the importance of enclosure as a source of change or as a source of labor for the industrial sector.

Robert C. Allen, *The British Industrial Revolution in Global Perspective*, ch. 3.

Robert C. Allen, "Tracking the Agricultural Revolution in England", *Economic History Review*, May 1999: 209-35.

R.C. Allen, "The Growth of Labor Productivity in Early Modern English Agriculture" *Explorations in Economic History*, April, 1988:117-46.

Group 5 Liam Blunt, "Mechanical Innovation in the Industrial Revolution: The Case of the Plough Design", *Economic History Review*, August 2001.

Gregory Clark, "Farm wages and living standards in the Industrial Revolution: England 1670-1869", *Economic History Review*, August 2003.

Group 6 Jane Humphries, "Enclosures, Common Rights, and Women: The Proletarianization of Families in the late Eighteenth and Early Nineteenth Centuries" *Journal of Economic History*, March 1990.

7. Rise of the Nation State: Institutions, Politics and Finance

Europe differed from other parts of the world not just in its demographic characteristics but also in the size and form of government. Finance in England was connected to trade but also largely connected to government finance which in turn was connected to war. One of the great successes of the British economy and the British state in the century before the industrial revolution was the dual accomplishment of regularizing government borrowing and the creation of a market for that debt.

Politics and Trade

Douglass C. North, "Institutions," *Journal of Economic Perspectives*, 5, Winter (1991), pp. 97-112.

Eric Jones, *European Miracle*, ch. 6.(e-reserves)

Douglass C. North, and Barry R. Weingast, 'Constitutions and Commitment: The Evolution of institutions Governing Public Choice in Seventeenth-Century England', *Journal of Economic History*, 49, December (1989), pp. 803-832.

Group 7 Kevin O'Rourke and Jeffrey G. Williamson, "After Columbus: Explaining Europe's Overseas Trade Boom, 1500-1800" *Journal of Economic History*, 62(2), (2002), pp. 417-56

Group 8 Jan de Vries, "The Limits of Globalization in the Early Modern World," *Economic History Review*, vol 63, no 2, 2010: 710-733.

Mauricio Drelichman, "The Curse of Moctezuma: American Silver and the Dutch Disease", *Explorations in Economic History*, vol 42, no. 3, July 2005: 349-380.

Trade and Finance

Ann M. Carlos "Joint-Stock Trading Companies", *Oxford Encyclopedia of Economic History*, ed. Joel Mokyr, Oxford University Press, 2003.

Ann M. Carlos and Stephen Nicholas, "Early Chartered Companies: Analogues of the Modern Multinationals", *Business History Review*, vol. 62, Autumn, 1988.

Group 9 Jean-Laurent Rosenthal, "Credit Markets and Economic Change in Southeastern France, 1630-1788" *Explorations in Economic History*, April 1993.

Ann M. Carlos and Larry Neal "Capital Market Activity During and After the South Sea Bubble: Bank of England Shares 1720-1725". *Economic History Review*, August 2006.

8. The Industrial Revolution - Technological Change: Origin and Impact

The beginnings of modern economic growth have been associated with a relatively short period (a generation or two) in the late eighteenth century and the early nineteenth century. Measuring change and understanding the processes by which change occur are very different. Conventional wisdom indicates that technological change was an important source of growth. Our problem is that we do not know as much as we would like about technological change. No serious discussion of the transformation of the British economy can take place without some quantitative estimates of that change.

Robert C. Allen, *The British Industrial Revolution in Global Perspective*, chs. 1, 6 and 11.

Phyllis Deane and W.A. Cole, *British Economic Growth, 1688-1959*, ch. 2. (e-reserves)

C. Knick Harley, "British Industrialization before 1841: Evidence of Slower Growth during the Industrial Revolution", *Journal of Economic History*, June 1982.

N.F.R. Crafts, "British Economic Growth, 1700-1831: A Review of the Evidence", *Economic History Review*, May 1983.

Nicholas Crafts, "Productivity Growth in the Industrial Revolution: A New Growth Accounting Perspective" *Journal of Economic History*, June 2004.

9. THE INDUSTRIAL REVOLUTION AND THE STANDARDS OF LIVING: When were people better off?

Ultimately economists have to ask how the development process has affected the standards of living of those involved. An examination of British Industrialization produces no clear picture. Both contemporaries and current historians alike are divided into optimistic and pessimistic camps. Much of this work is based on male wages. We know that women worked as part of the family unit during

the late eighteenth centuries. What was happening to female income over the course of the industrial revolution and how does that change understanding of standard of living. Because it is not always easy to get reliable monetary indices with which to measure the standard of