

World Economic History
Econ 229
Macalester College
Department of Economics
Fall 2016

Classroom: Carnegie 305
Class Meeting Times: MWF 10:50-11:50am
Office Hours: Mon. & Wed. 1:00-2:30pm, Thur. 9-11am
and by appointment
Preceptor: Muath Ibaid (mibaid@macalester.edu)

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Course Description: This course provides an overview of world economic history from the Neolithic Revolution to modern times. The primary objective is to help students develop an understanding of the fundamental forces driving economic growth (changes in material living standards) over time. These forces are primarily geographic, demographic, technological and institutional in nature, and we endeavor to understand how they interact. We will address questions such as: Why did humans shift from hunter-gatherer to agricultural production methods? How did economic systems function and facilitate economic growth during the ancient and medieval periods? What is the “Malthusian trap” and why were societies stuck in it for millennia? What caused the Industrial Revolution, which has allowed billions of humans to escape the Malthusian trap? Why haven’t all countries experienced economic growth during the 20th century and what are the historical origins of poverty across the world? Finally, what lessons can we learn from the past to help us better understand where we might be heading in the future? While most of the attention will be on long-term trends, we will also examine short-run cyclical phenomena such as financial crises, macroeconomic depressions and hyperinflations. As the experience of the 1920s and 1930s illustrates, economic turmoil can lead to significant institutional change with long-run implications.

Prerequisites: Principles of Economics (ECON 119).

Audience: This course will be useful for students pursuing diverse academic and career paths. If you are interested in finance and aspire to be an investment banker, an understanding of stock market bubbles in history, the deeper forces driving economic growth in China, etc. will help you be better informed and make wise decisions. If you are interested in economic development and aspire to a career in the non-profit sector, it is important to understand the historical origins of poverty and the role of formal and informal institutions in perpetuating it. Finally, it is my conviction that economic history is inherently fascinating so you will derive direct utility from this course and, thus, can view it as a consumption good!

Readings: The textbook for the course, which students should purchase, is *A Concise Economic History of the World from Paleolithic Times to the Present*, 2015, 5th Edition, by Rondo Cameron and Larry Neal. I will make extensive use of two other books: (i) *A Farewell to Alms: A Brief Economic History of the World*, 2007, 1st Edition, by Gregory Clark and (ii) *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, 2012, 1st Edition, by Daron Acemoglu and James Robinson. I recommend that students purchase each, but copies will be made available for you to borrow. All other readings, videos, lectures and other materials will be available on the course Moodle site. Many of the concepts and models we will use were covered in Econ 119. Consequently, it is a good idea to keep your Principles textbook nearby as a reference.

Expectations: As your professor, I strive to know my stuff, set high but attainable standards, be a fair and objective grader, provide well-organized and stimulating lectures, promote class discussion which facilitates active learning, and be available outside of class for consultation. I encourage students to visit me during office hours and discuss any issues they are having with the course or to simply talk about economics, career planning or life.

I expect that students will work hard in this course, complete readings prior to class, turn in assignments on time, and be an active and courteous classroom participant. Cheating on exams and assignments (e.g., copying someone else’s answers, pulling information from a cell phone during an exam, etc.) and plagiarism (i.e., failure to acknowledge the contributions of others’ work to your own) will result in a grade of **F** on the assignment or exam

in question. It may also be reported to the Dean of Academic Programs and could result in a failing grade for the course. For more information on cheating and plagiarism, consult the *Student Handbook*.

Accommodations: Accommodations are available for students with documented disabilities. To obtain assistance, contact Robin Hart Ruthenbeck, Assistant Dean of Students, at 651-696-6220 or rhartrut@macalester.edu. Students are encouraged to address any learning needs or accommodations as soon as possible. More information about the accommodations process for students with disabilities can be found at: www.macalester.edu/studentaffairs/disabilityservices/

Grading: The final course grade will be determined by performance in the following areas:

Activity	Percent of Final Grade
Exam #1	20
Exam #2	20
Exam #3	20
Term Paper	15
Homework & Reading Summaries	15
Class Participation	10

Exams must be taken at the scheduled times unless students have a (1) conflict with a school-sponsored extracurricular activity or religious holiday, or (2) personal emergency. In the first case, you must reschedule at least one week prior to the original exam time. In the latter case, you must supply written verification of the emergency. The exams will test understanding of (a) economic concepts and models, and (b) historical events and patterns.

Students are asked to submit a term paper that explores a question in economic history. The term paper should employ an argumentative writing style, which “requires the student to investigate a topic, collect, generate, and evaluate evidence, and establish a position on the topic in a concise manner” (Online Write Lab (OWL) at Purdue University, <http://owl.english.purdue.edu/owl/resource/685/05/>). Argumentative writing is distinguished from descriptive, narrative or expository writing in that it involves research of previously published material before the writing process begins. The term paper should have no more than 10 pages of written text (double spaced) and include supporting diagrams. I encourage students to select a topic which allows them to use historical analysis to say something about a contemporary issue. For example, what does the history of monetary union in the United States teach us about the current problems in Europe? You could also focus on the economic history of a particular country and examine factors which promoted or stunted its economic growth. If you are interested in finance, you might study the impact of the telegraph on arbitrage between New York and London or the causes of stock market bubbles or financial crises. If you are interested in economic development, you could study the demographic transition or the legacy of “extractive institutions” in a particular region. The question upon which your paper is based should be sufficiently narrow so it can be addressed in a short essay. It is essential that you draw on the existing academic literature and I encourage you to use data from articles and books to support your arguments.

Homework assignments involve problem solving using economic models. The due dates are given on the course outline below. Reading summaries are short written responses to questions I will post on Moodle. They are due before the assigned chapter or article is discussed in class.

Students earn class participation points by (a) showing up to class on time, (b) being an engaged and respectful listener, and (c) making productive contributions to discussions. To obtain an “A” for class participation you must do all three and your contributions to discussions must be insightful and numerous. Students who accomplish (a) and (b) will receive a “B,” while those with absences risk a grade of “C” or lower for class participation.

Course Outline and Reading List

Date		Day	Topics	Readings	Comments
Aug	31	Wed	Growth & Progress	Cameron & Neal, Ch. 1.	
Sep	2	Fri	Institutions	North, Wallis & Weingast, "A Conceptual Framework for Interpreting Human History," 2006.	
	5	Mon	LABOR DAY		
	7	Wed	The Neolithic Revolution	Diamond, <i>Guns, Germs, and Steel</i> , Ch. 1, 4 & 6.	
	9	Fri	Hemispheres Colliding	Diamond, <i>Guns, Germs, and Steel</i> , Ch. 18.	
	12	Mon	Mesopotamia to Greece	Cameron & Neal, Ch. 2.	HW #1 due
	14	Wed	Markets and Institutions in the Roman Empire	Temin, "The Economy of the Early Roman Empire," 2006.	
	16	Fri	Medieval Eurasia	Cameron & Neal, Ch. 3.	
	19	Mon	The Black Plague	Cameron & Neal, Ch. 3.	
	21	Wed	Response to the Crisis	Cameron & Neal, Ch. 4.	
	23	Fri	The Logic of the	Clark, <i>A Farewell to Alms</i> , Ch. 2.	HW #2 due
	26	Mon	Malthusian Economy	Clark, <i>A Farewell to Alms</i> , Ch. 3.	
	28	Wed	Fertility & Mortality	Clark, <i>A Farewell to Alms</i> , Ch. 4 & 5.	
	30	Fri	Exam Review		HW #3 due
Oct	3	Mon	First Exam		
	5	Wed	The Age of Discovery	Cameron & Neal, Ch. 5.	
	7	Fri	Economic Nationalism and Imperialism	Cameron & Neal, Ch. 6.	
	10	Mon	Industrial Revolution:	Cameron & Neal, Ch. 7.	
	12	Wed	Role of Institutions	Cameron & Neal, Ch. 8 & 9.	
	14	Fri	Evolutionary Theories	Clark, <i>A Farewell to Alms</i> , Ch. 6 & 9.	
	17	Mon	The Role of the Enlightenment	Mokyr, "Innovation in Historical Perspective: Tales of Technology and Innovation," 2002.	
	19	Wed	Summing Up	Clark, <i>A Farewell to Alms</i> , Ch. 11; "A Review Essay on the Enlightened Economy," 2012.	
	21	Fri	Fall Break		
	24	Mon	Why England? Why Not China, India, or Japan?	Clark, Ch. 12 & 13; Perdue, Review of Pomeranz's <i>The Great Divergence</i> , 2000.	
	26	Wed	Demographic Transition and the Human Capital Century	Alter & Clark, "The Demographic Transition and Human Capital," 2010.	
	28	Fri	Modern Demographic Transitions	<i>The Economist</i> , "Go Forth and Multiply a Lot Less," 10/29/09.	HW #4 due
	31	Mon	Second Exam		
Nov	2	Wed	Banking	Ferguson, <i>Ascent of Money</i> , Ch. 1.	
	4	Fri	Bond Markets	Ferguson, <i>Ascent of Money</i> , Ch. 2.	
	7	Mon	Stock Markets	Ferguson, <i>Ascent of Money</i> , Ch. 3, 119-57.	
	9	Wed	Globalization	Cameron & Neal, Ch. 11, 301-16.	
	11	Fri	Classical Gold Standard	Eichengreen, <i>Golden Fetters</i> , Ch. 1, 3-12.	HW #5 due
	14	Mon	War and International Economic Disintegration	Cameron & Neal, Ch. 14, 331-41.	
	16	Wed	The Great Depression	Eichengreen, <i>Golden Fetters</i> , Ch. 1, 12-26.	
	18	Fri	Modern Parallels	Temin, "The Great Recession and the Great Depression, 2010."	

	21	Mon	Rebuilding the World Economy, 1945-1989	Cameron & Neal, Ch. 15.	
	23	Wed	Thanksgiving Break		Term paper 1 st draft due
	25	Fri			
	28	Mon	The Great Divergence	Acemoglu & Robinson, <i>Why Nations Fail</i> , Ch. 1 & 9.	
	30	Wed	The Great Divergence	Acemoglu & Robinson, <i>Why Nations Fail</i> , Ch. 11 & 12.	
Dec	2	Fri	The Great Divergence	Diamond, "What Makes Countries Rich and Poor?" 2012.	
	5	Mon	Inequality in the U.S.	Lindert & Williamson, "The Greatest Leveling of All Time," 2016.	
	7	Wed	Inequality in the U.S.	Lindert & Williamson, "Rising Inequality Once More, Since the 1970s," 2016.	
	9	Fri	Term Paper Summaries		Term paper final draft due
Dec.	13	Tues	Third Exam 10:30am-12:30pm		