

Syllabus: History and Development

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Summer Semester 2024

Overview

Our economy has come a long way since we started out as hunters and gatherers. It took humans millions of years until they started settling down around 10,000BC. Initially, economic growth was small. Occasional economic revolutions did not survive the demise of the civilizations that could enjoy them. Today, we live in a world with constant innovation and change, and we are somewhat used to regular improvements in our living standards. This enduring growth of per capita incomes was historically not the norm, but started only 300 years ago. At the same time, our world witnessed a global reversal of fortunes that resulted in an unprecedented “great” divergence. Formerly leading economies in Asia, Latin America, and Southern Europe fell behind, while the economic backwaters in Northern Europe and their offshoots made their way to the top of the income distribution.

This great divergence was long in the making. Centuries before the first industrial revolution changed our ways of production, the world population underwent significant changes in institutions, social norms, and economic behavior. The Neolithic Revolution brought farming and settlements, and transformed humans’ ways of living within an couple of generations. Institutional change was difficult to achieve, but allowed more and more people to benefit from and contribute to economic growth. During the late Middle Ages, an educational revolution and fertility transition allowed people to overcome the Malthusian trap of stagnating per capita incomes. And finally, globalization and the Industrial Revolutions keep bringing new ways of production and work, separating each new generation from the former.

In this course, we want to investigate these defining moments of economic development and human (r)evolution. We will discuss cutting-edge research about the various types of social, political, and especially economic revolutions that defined the development of our species from hunter-gatherers into modern societies.

Tutorials

The course is accompanied by a regular, bi-weekly tutorial held by Teresa Hailer. In this tutorial, students will independently replicate some of the most relevant papers we discuss during the course to acquire a deeper knowledge of econometric techniques and data work. These tutorials are also meant to prepare the students for an independent replication exercise, which will be a part of the final grade.

Course Structure

Our course will be structured into a weekly 90-minute lecture and a bi-weekly 180-minute tutorial:

1. **Lectures:** Fridays, 11:15 - 12:45 in room 02.036.
2. **Tutorials:** Mondays (biweekly), 13:00 - 16:00 in PC Pool 99.007.

Relevant Prerequisites

The goal is to discuss and replicate together empirical studies in economics. Students should have knowledge in the basics of statistics and regression analysis. While we will discuss causal analysis methods more deeply during the lecture, preliminary knowledge in causal methods can be helpful. Students should be somewhat

familiar with the statistical software *R*. Students who want to attend the lecture but have no prior knowledge of *R* should please contact me ahead of time so we can organize a quick introduction lesson.

Grading

The final grade will consist of two main parts: A final 120 minute exam will contribute 60% to the final grade, and a group replication exercise will contribute 40% to the grade. In addition, students can collect bonus points via an extra assignment during the course.

1. **Written Exam** (60%): At the end of the term, one two-hour exam will determine the students' final grade. This exam will ask questions on the hypotheses and evidence on historical economic growth episodes, as well as the methods used to acquire these insights. We will discuss examples and a mock exam towards the end of the class.
2. **Replication Task** (40%): In groups of two or three people, you select one of the empirical papers we discussed during the lectures and replicate its main results. The submission of the replication exercise will be due circa two weeks after our final exam. We will practice replicating empirical papers during our tutorials.
3. **Bonus Points**: In addition, students will be able to collect bonus points for the summary, discussion, and critique of an additional research paper not discussed in class. Depending on the turnout in class, we will devote one or two lectures to presentations and discussions of research papers. Further information will follow during class. This assignment is a voluntary extra: You can achieve full points in the course without working this extra assignment.

Expected Lecture Schedule (subject to change)

Block 1: General Introduction

1. April 19: Introduction and Course Overview: Broadberry & Wallis (2017)
2. April 26: The Origins of Mankind: Ashraf & Galor (2013), Fernandez-Villaverde et al. (2023)

Block 2: From Hunter Gatherers to Societies

3. May 03: The Neolithic Revolutions: Franck et al. (2022), Matranga (2019)
4. May 10: The Settlement Revolutions: Bakker et al. (2021), Henderson et al. (2018), Ngyuen et al. (2023)
5. May 17: The Cultural Revolutions: Alesina et al. (2013), Michalopoulos & Xue (2021)

Block 3: People and Institutions

6. May 24: *Presentations for Extra Points*
7. May 31: The Making of the State: Acemoglu et al. (2001), Aidt & Franck (2015), Angelucci et al. (2022)

Block 4: Malthus and the Beginning of the Great Divergence

8. June 07: The Making of Citizens: Bazzi et al. (2020), Lowes et al. (2017), Dell (2010), Dell et al. (2018)
9. June 14: Malthus vs. Education: Becker & Woessmann (2009), Cagé & Rueda (2016), Cantoni & Yuchtman (2014)
10. June 21: Malthus vs. Demography: Voigtländer & Voth (2013a), Voigtländer & Voth (2013b)

Block 5: The Making of the Modern Economy

11. June 28: Long-distance trade and globalization: Abramitzky et al. (2023), Bonfatti & Brey (2023)
12. July 05: The Industrial Revolutions (I): Caprettini & Voth (2020), Heblich & Trew (2019)
13. July 19: The Industrial Revolutions (II): Hornung (2015), Maloney et al. (2022)
14. July 26: Short bonus lecture + Q&A for exam.

Expected Tutorial Schedule (subject to change)

Block 1: Introduction to Applied Econometrics

1. April 22: Repetition on Regression and Statistical Methods in *R*.
2. May 06: Repetition on Causal Identification Methods in *R*.

Block 2: Paper Replications

3. May 13: Paper Replication (I).
4. June 3: Paper Replication (II).
5. June 17: Paper Replication (III).
6. July 01: Paper Replication (IV).
7. July 15: Help desk for replication exercise.

Literature used for the Course (preliminary)

Required Reading (Must read for course and exam):

- Acemoglu, Daron, Simon Johnson, and James A. Robinson (2001): “The Colonial Origins of Comparative Development: An Empirical Investigation.” *American Economic Review*, Vol. 91, No. 5: 1369-1401.
- Alesina, Alberto, Paola Giuliano & Nathan Nunn (2013): “On the Origins of Gender Roles: Women and the Plough.” *The Quarterly Journal of Economics*, Vol. 129, No. 2: 469-530.
- Ashraf, Quamrul & Oded Galor (2013): “The ‘Out of Africa’ Hypothesis, Human Genetic Diversity, and Comparative Economic Development.” *American Economic Review*, Vol. 103, No. 1: 1-46.
- Bazzi, Samuel, Martin Fiszbein & Mesay Gebresilas (2020): “Frontier Culture: The Roots and Persistence of ‘Rugged Individualism’ in the United States.” *Econometrica*, Vol. 88, No. 6: 2329-2368.
- Becker, Sascha O. and Ludger Woessmann (2009): “Was Weber Wrong? A Human Capital Theory of Protestant Economic History.” *Quarterly Journal of Economics*, Vol. 124, No. (2): 531-596.
- Dell, Melissa, Nathan Lane & Pablo Querubin (2018): The Historical State, Local Collective Action, and Economic Development in Vietnam. *Econometrica*, Vol. 86, No. 6: 2083-2121.
- Henderson, Vernon, Tim Squires, Adam Storeygard & David Weil (2018): “The Global Distribution of Economic Activity: Nature, History, and the Role of Trade.” *The Quarterly Journal of Economics*, Vol. 133, No. 1: 357-406.
- Hornung, Erik (2015): “Railroads and Growth in Prussia.” *Journal of the European Economic Association*, Vol. 13, No. 4: 699-736.
- Matranga, Andrea (2019): “The Ant and the Grasshopper: Seasonality and the Invention of Agriculture.” *Working Paper, Revise and Resubmit at Quarterly Journal of Economics*.
- Michalopoulos, Stelios & Melanie Meng Xue (2021): “Folklore.” *The Quarterly Journal of Economics*, Vol. 136, No. 4: 1993-2046.
- Caprettini, Bruno & Hans-Joachim Voth (2020): “Rage Against the Machines: Labor-Saving Technology and Unrest in Industrializing England.” *AER: Insights*, Vol. 2, No. 3: 305-320.
- Voigtländer, Nico & Hans-Joachim Voth (2013a): “The Three Horsemen of Riches: Plague, War, and Urbanization in Early Modern Europe.” *The Review of Economic Studies*, Vol. 80, No. 2: 774-811

Additional Literature (If you have time, have a look):

- Abramitzky, Ran, Philipp Ager, Elijah Cohen, and Casper Worm Hansen: “The Effects of Immigration on the Economy: Lessons from the 1920s Border Closer.” *American Economic Journal: Applied Economics*, forthcoming.
- Acemoglu, Daron, Simon Johnson, and James A. Robinson (2002): “Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution.” *The Quarterly Journal of Economics*, Vol. 117, No. 4: 1231-1294.
- Acemoglu, Daron, Simon Johnson, and James A. Robinson (2012): “The Colonial Origins of Comparative Development: An Empirical Investigation: Reply.” *American Economic Review*, Vol. 102, No. 6: 3077-3110.
- Acemoglu, Daron & Pascual Restrepo (2018): “The Race between Man and Machine: Implications of Technology for Growth, Factor Shares, and Employment.” *American Economic Review* Vol. 108, No. 6: 1488-1542.

- Ager, Philipp, Benedikt Herz & Markus Brueckner (2020): “Structural Change and the Fertility Transition.” *Review of Economics and Statistics*, Vol. 102, No. 4: 806-822.
- Aidt, Toke & Raphael Franck (2015): “Democratization under the Threat of Revolution: Evidence from the Great Reform Act of 1832.” *Econometrica*, Vol. 83, No. 2: 505-547.
- Albouy, David (2012): “The Colonial Origins of Comparative Development: An Empirical Investigation: Comment.” *American Economic Review*, Vol. 102, No. 6: 3059-3076.
- Allen, Robert C. (2009): “The Industrial Revolution in Miniature: The Spinning Jenny in Britain, France, and India.” *The Journal of Economic History*, Vol. 69, No. 4: 901-927.
- Angelucci, Charles, Simone Meraglia & Nico Voigtländer (2022): “How Merchant Towns Shaped Parliaments: From the Norman Conquest of England to the Great Reform Act”. *American Economic Review*, Vol. 112, No. 10: 3441-3487.
- Atack, Jeremy, Robert Margo & Paul Rhode (2019): “Automation of Manufacturing in the Late Nineteenth Century: The Hand and Machine Labor Study.” *Journal of Economic Perspectives* Vol. 33, No. 2: 51-70.
- Atack, Jeremy, Robert A. Margo & Paul Rhode (2023): “De-skilling: Evidence from Late Nineteenth Century American Manufacturing.” *NBER Working Paper* No. 31334.
- Bahrami-Rad, Duman, Anke Becker & Joseph Henrich (2021): “Tabulated nonsense? Testing the validity of the Ethnographic Atlas.” *Economics Letters*, Vol. 204: 109880.
- Bakker, Jan David, Stephan Maurer, Jörn-Steffen Pischke & Ferdinand Rauch (2021): “Of Mice and Merchants: Connectedness and the Location of Economic Activity in the Iron Age.” *The Review of Economics and Statistics*, Vol. 103, No. 4: 652-665.
- Bisin, Alberto & Andrea Moro (2021): “LATE for History.” *Handbook of Historical Economics*, Alberto Bisin & Giovanni Federico, Academic Press: Chapter 10.
- Bonfatti, Roberto & Björn Brey (2023): “Trade Disruption, Industrialisation, and the Setting Sun of British Colonial Rule in India.” *Journal of the European Economic Association*, forthcoming.
- Broadberry, Stephen & John Joseph Wallis (2017): “Growing, Shrinking, and Long Run Economic Performance: Historical Perspectives on Economic Development.” *NBER Working Paper* No. 23343.
- Cagé, Julia, and Valeria Rueda (2016): “The Long-Term Effects of the Printing Press in Sub-Saharan Africa.” *American Economic Journal: Applied Economics*, Vol. 8, No. 3: 69-99.
- Cantoni, Davide and Noam Yuchtman (2014): “Medieval Universities, Legal Institutions, and the Commercial Revolution.” *Quarterly Journal of Economics*, Vol. 129, No. 2: 823-887.
- Cox, Gary (2017): “Political Institutions, Economic Liberty, and the Great Divergence.” *Journal of Economic History*, Vol. 77, No. 3: 724-755.
- Dell, Melissa (2010): “The Persistent Effects of Peru’s Mining Mita.” *Econometrica*, Vol. 78, No. 6: 1863-1903.
- Donaldson, Dave & Richard Hornbeck (2016): “Railroads and American Economic Growth: A Market Access Approach.” *Quarterly Journal of Economics*, Vol. 131, No. 2: 799-858.
- Feigenbaum, James & Daniel P. Gross (2022): “Answering the Call of Automation: How the Labor Market Adjusted to the Mechanization of Telephone Operation.” *NBER Working Paper* No. 28061 (R&R at Quarterly Journal of Economics).
- Fernandez-Villaverde, Jesus, Mark Koyama, Youhong Lin & Tuan-Hwee Sng (2023): “The Fractured-Land Hypothesis.” *Quarterly Journal of Economics*, Vol. 138, No. 2: 1173-1231.
- Franck, Raphael, Oded Galor, Omer Moav & Ömer Özak (2022): “The Shadow of the Neolithic Revolution on Life Expectancy: A Double-Edged Sword.” *CESifo Working Paper* No. 9667.
- Giuliano, Paola & Andrea Matranga (2021): “Historical Data: Where to find them, how to use them.” *Handbook of Historical Economics*, Alberto Bisin & Giovanni Federico, Academic Press: Chapter 4.
- Giuliano, Paola & Nathan Nunn (2021): “Understanding Cultural Persistence and Change.” *Review of Economic Studies*, Vol. 88: 1541-1581.
- Heblich, Stephan, Stephen Redding & Daniel Sturm (2020): “The Making of the Modern Metropolis: Evidence from London,” *Quarterly Journal of Economics*, Vol. 135, No. 4: 2059-2133.
- Heblich, Stephan & Alex Trew (2019): “Banking and Industrialization.” *Journal of the European Economic Association*, Vol. 17, No. 6: 1753-1796.
- Jedwab, Remi & Alexander Moradi (2016): “The Permanent Effects of Transportation Revolutions in Poor Countries: Evidence from Africa,” *Review of Economics and Statistics*, Vol. 98, No. 2: 268-284.

- Kelly, Morgan (2019): “The Standard Errors of Persistence.” *SSRN Working Paper*
- Lowes, Sara, Nathan Nunn, James A. Robinson & Jonathan L. Weigel (2017): “The Evolution of Culture and Institutions: Evidence from the Kuba Kingdom.” *Econometrica*, Vol. 85, No. 4: 1065-1091.
- Maloney, William & Felipe Valencia Caicedo (2022): “Engineering Growth.” *Journal of the European Economic Association*, Vol. 20, No. 4: 1554-1594.
- Melander, Eric (2021): “Transportation Technology, Individual Mobility, and Social Mobilisation.” *CAGE Working Paper* No. 471.
- Ngyuen, Duc A., Steven Brakman, Harry Garretsen & Tristan Kohl (2023): “Whats in a Name? Initial Geography and German Urban Development.” *CESifo Working Paper* No. 10435.
- North, Douglass C. (1991): “Institutions.” *Journal of Economic Perspectives*, Vol. 5, No. 1: 97-112.
- Nunn, Nathan & Diego Puga (2012): “Ruggedness: The Blessing of Bad Geography in Africa.” *Review of Economics and Statistics*, Vol. 94, No. 1: 20-36.
- Olsson, Ola & Douglass A. Hibbs (2005): “Biogeography and long-run economic development.” *European Economic Review*, Vol. 49: 909-938.
- Schneider, Eric B. (2020): “Collider Bias in Economic History Research.” *Explorations in Economic History*, Vol. 79: 101356.
- Voigtländer, Nico, and Hans-Joachim Voth (2013b): “How the West”Invented” Fertility Restriction.” *American Economic Review*, Vol. 103, No. 6: 2227-2264.

Background Literature (To get a deeper look into the concepts of the class):

- Galor, Oded (2022): “The Journey of Humanity: The Origins of Wealth and Inequality”. Dutton, ISBN: 978-0593185995
- Koyama, Mark & Jared Rubin (2022): “How the World became rich: The Historical Origins of Economic Growth”. Polity, ISBN: 978-1509540235
- Cunningham, Scott (2021): “Causal Inference - The Mixtape”. Available Online: <https://mixtape.scunning.com/>
- Huntington-Klein, Nick (2022): “The Effect - An Introduction to Research Design and Causality”. Available Online: <https://theeffectbook.net/>