

SYLLABUS

Topics in the Economic History of Institutions

Master in Social Sciences

Year 2021

Jordi Domenech
Department of Social Sciences
Universidad Carlos III de Madrid
Room 18.2.D.05
email: *jdomenec@clio.uc3m.es*

The aim of this course is to advance your understanding of the evolution and functioning of formal and informal institutions supporting the operation of factor and goods markets and innovation using several case studies in early modern and modern economic history. Firstly, we will study the growth of market size via market integration and the determinants of smithian growth (division of labour and specialization). Secondly, we will study the operation of factor markets and institutions underpinning the mobilization of factors of production, land, labour and capital. Thirdly, we study the institutional determinants of innovation and schumpeterian development (innovation-induced growth). The course is structured around important debates in economic history: for example the Greif-Ogilvie-Goldberg debate on private-order enforcement and international trade in the Middle Ages, or the role of market integration in the Great Divergence between Western Europe and China in the 18th century, or the controversy around the role of guilds in fostering innovation in pre-industrial economies.

This is a course heavily geared towards intensive reading of academic debates and relevant related articles. Because this is a course aimed at students with an aspiration to become professional researchers, we will also put emphasis on issues related to the collection and presentation of evidence, research questions and hypotheses, and testing. Evaluation will be based on a class presentation on one of the articles and a 3,000 words essay.

1 Institutions and development

What is an institution?

Personal vs impersonal exchange

Slow- and fast-moving institutions

Theories of institutional change and persistence

Readings:

Blogger Pseudoerasmus: <https://pseudoerasmus.com/2015/10/03/henrich/>

[Roland, 2004]

[Temin, 2006]

[Clark, 2015]

2 The Social and Institutional Bases of Markets

Economic exchange in traditional societies

[Graeber, 2014]

Private order enforcement

[Alesina and Giuliano, 2013]

Case study. The Maghribi traders (11th-12th centuries):

[Greif, 1993]

[Edwards and Ogilvie, 2012]

[Greif, 2012]

[Greif, 2006]

[Goldberg, 2012]

Impersonal exchange and external enforcement. Markets and states

[Epstein, 2000]

Market integration and the Great Divergence

[Shiue and Keller, 2007]

[Li, 2000]

[STUDER, 2008]

3 Capital markets: Institutions and Financial Development

Debt and credit in absence of powerful states

[Hoffman et al., 1992]

[Hoffman et al., 1999]

[Botticini, 2000]

Debt and credit in Islamic societies: religion and financial development in the Ottoman Empire

[Kuran, 2004, Kuran, 2018]

[PAMUK, 2009]

4 Institutions and size and efficiency of the labour market

Pre-industrial labour markets:

[Ogilvie, 2014]

[Dell, 2010]

Human capital formation:

[Van der Beek, 2015]

[Minns and Wallis, 2013]

National and international labour market integration:

[Rosés and Sánchez-Alonso, 2004]

[SÁNCHEZ-ALONSO,]

5 Property rights and the development of land markets

Property rights and agricultural development [Guirkinger and Aldashev, 2016]

[Nafziger, 2010]

The 19th century, liberalization of land markets, property rights, and investment

[Rosenthal, 1990]

[Markevich and Zhuravskaya, 2018]

[Heldring et al., 2015]

Land reform, property rights in Africa:

[Fenske, 2011]

[Boone, 2018]

6 The Social and Institutional Bases of Innovation

Innovation and guilds in medieval times

[Epstein, 1998]

Collective Invention

[Allen, 1983]

Intellectual property rights

[Burton and Nicholas, 2017]

[Moser, 2005]

[Khan, 2015]

References

- [Alesina and Giuliano, 2013] Alesina, A. and Giuliano, P. (2013). Family ties. Working Paper 18966, National Bureau of Economic Research.
- [Allen, 1983] Allen, R. C. (1983). Collective invention. Journal of Economic Behavior and Organization, 4(1):1–24.
- [Boone, 2018] Boone, C. (2018). Shifting visions of property under competing political regimes: changing uses of côte d’ivoire’s 1998 land law. The Journal of Modern African Studies, 56(2):189–216.
- [Botticini, 2000] Botticini, M. (2000). A tale of “benevolent” governments: Private credit markets, public finance, and the role of jewish lenders in medieval and renaissance italy. The Journal of Economic History, 60(1):164–189.
- [Burton and Nicholas, 2017] Burton, M. D. and Nicholas, T. (2017). Prizes, patents and the search for longitude. Explorations in Economic History, 64:21 – 36.
- [Clark, 2015] Clark, G. (2015). Measuring growth. what is the path to prosperity in africa? Unpublished UC-Davis.
- [Dell, 2010] Dell, M. (2010). The persistent effects of peru’s mining ”mita”. Econometrica, 78(6):1863–1903.
- [Edwards and Ogilvie, 2012] Edwards, J. and Ogilvie, S. (2012). Contract enforcement, institutions, and social capital: the maghribi traders reappraised1. The Economic History Review, 65(2):421–444.
- [Epstein, 2000] Epstein, S. (2000). Freedom and growth: the rise of states and markets in Europe, 1300-1750. Routledge.
- [Epstein, 1998] Epstein, S. R. (1998). Craft guilds, apprenticeship, and technological change in preindustrial europe. The Journal of Economic History, 58(3):684–713.
- [Fenske, 2011] Fenske, J. (2011). Land tenure and investment incentives: Evidence from west africa. Journal of Development Economics, 95(2):137 – 156.
- [Goldberg, 2012] Goldberg, J. L. (2012). Choosing and enforcing business relationships in the eleventh-century mediterranean: Reassessing the ‘maghribī traders’*. Past Present, 216(1):3–40.
- [Graeber, 2014] Graeber, D. (2014). Debt. The First 5,000 Years. Melville House.
- [Greif, 1993] Greif, A. (1993). Contract enforceability and economic institutions in early trade: The maghribi traders’ coalition. The American Economic Review, 83(3):525–548.
- [Greif, 2006] Greif, A. (2006). History lessons: The birth of impersonal exchange: The community responsibility system and impartial justice. The Journal of Economic Perspectives, 20(2):221–236.
- [Greif, 2012] Greif, A. (2012). The maghribi traders: a reappraisal?1. The Economic History Review, 65(2):445–469.
- [Guirkinger and Aldashev, 2016] Guirkinger, C. and Aldashev, G. (2016). Clans and ploughs: Traditional institutions and production decisions of kazakhs under russian colonial settlement. The Journal of Economic History, 76(1):76–108.

- [Heldring et al., 2015] Heldring, L., Robinson, J. A., and Vollmer, S. (2015). Monks, gents and industrialists: The long-run impact of the dissolution of the english monasteries. Working Paper 21450, National Bureau of Economic Research.
- [Hoffman et al., 1992] Hoffman, P. T., Postel-Vinay, G., and Rosenthal, J.-L. (1992). Private credit markets in paris, 1690-1840. The Journal of Economic History, 52(2):293–306.
- [Hoffman et al., 1999] Hoffman, P. T., Postel-Vinay, G., and Rosenthal, J.-L. (1999). Information and economic history: How the credit market in old regime paris forces us to rethink the transition to capitalism. The American Historical Review, 104(1):69–94.
- [Khan, 2015] Khan, B. Z. (2015). Inventing prizes: A historical perspective on innovation awards and technology policy. Working Paper 21375, National Bureau of Economic Research.
- [Kuran, 2004] Kuran, T. (2004). Why the middle east is economically underdeveloped: Historical mechanisms of institutional stagnation. Journal of Economic Perspectives, 18(3):71–90.
- [Kuran, 2018] Kuran, T. (2018). Islam and economic performance: Historical and contemporary links. Journal of Economic Literature, 56(4):1292–1359.
- [Li, 2000] Li, L. M. (2000). Integration and disintegration in north china’s grain markets, 1738–1911. The Journal of Economic History, 60(3):665–699.
- [Markevich and Zhuravskaya, 2018] Markevich, A. and Zhuravskaya, E. (2018). The economic effects of the abolition of serfdom: Evidence from the russian empire. American Economic Review, 108(4-5):1074–1117.
- [Minns and Wallis, 2013] Minns, C. and Wallis, P. (2013). The price of human capital in a pre-industrial economy: Premiums and apprenticeship contracts in 18th century england. Explorations in Economic History, 50(3):335 – 350.
- [Moser, 2005] Moser, P. (2005). How do patent laws influence innovation? evidence from nineteenth-century world fairs. American Economic Review.
- [Nafziger, 2010] Nafziger, S. (2010). Peasant communes and factor markets in late nineteenth-century russia. Explorations in Economic History, 47(4):381 – 402.
- [Ogilvie, 2014] Ogilvie, S. (2014). The economics of guilds. Journal of Economic Perspectives, 28(4):169–92.
- [PAMUK, 2009] PAMUK, Ş. (2009). Changes in factor markets in the ottoman empire, 1500–1800. Continuity and Change, 24(1):107–136.
- [Roland, 2004] Roland, G. (2004). Understanding institutional change: fast-moving and slow-moving institutions. Studies in Comparative International Development.
- [Rosenthal, 1990] Rosenthal, J.-L. (1990). The development of irrigation in provence, 1700-1860: The french revolution and economic growth. The Journal of Economic History, 50(3):615–638.
- [Rosés and Sánchez-Alonso, 2004] Rosés, J. R. and Sánchez-Alonso, B. (2004). Regional wage convergence in spain 1850–1930. Explorations in Economic History, 41(4):404 – 425.
- [SÁNCHEZ-ALONSO,] SÁNCHEZ-ALONSO, B. The age of mass migration in latin america. The Economic History Review, 0(0).

- [Shiue and Keller, 2007] Shiue, C. H. and Keller, W. (2007). Markets in china and the europe on the eve of the industrial revolution. American Economic Review, 97(4):1189–1216.
- [STUDER, 2008] STUDER, R. (2008). India and the great divergence: Assessing the efficiency of grain markets in eighteenth- and nineteenth-century india. The Journal of Economic History, 68(2):393–437.
- [Temin, 2006] Temin, P. (2006). The economy of the early roman empire. The Journal of Economic Perspectives, 20(1):133–151.
- [Van der Beek, 2015] Van der Beek, K. (2015). Market forces shaping human capital in eighteenth-century london. Economic History Review, 68(4):1177–1202.