

Master in Social Sciences

Historical Analysis of Economic Change, 2021-22

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Description: this course addresses the evolution of the world economy in the very long run from a truly global approach. It provides the student with the understanding of key concepts in economic growth in order to better understand the changes that took place in the international economy. The student will also learn the reasons why the west moved forward while the rest of the world fell behind, and how during the last century, the catching up from developing economies has reduced the gap with the most industrialized nations. Each block of sessions will be divided into a theoretical part that will contain a lecture and a practical part where the students will work on exercises related to the materials covered.

Syllabus

- **Topic 1 - Introduction:** what is economic history and how do we study it?
- **Topic 2 - Economic growth:** how do we measure it? What types of growth can we observe? What are the main trends in the long run? Differences between growth, development and welfare.
- **Topic 3 - Economic development and living standards:** What is the difference with economic growth? How do we estimate living standards? What are the main methodological problems of the different estimations? Did living standards improve in the long run? Was it a systematic and linear process?
- **Topic 4 - Economic inequality:** different measurements of economic inequality. Income vs. wealth inequality. Changes in the very long run and the Kuznets and super Kuznets curve.
- **Topic 5 - The effect of the environment in the economy:** efficient allocation of natural resources. The Malthusian model. Limitations imposed to the economy by environmental conditions. The effect of climate in the very long run.
- **Topic 6: The great divergence:** different growth patterns in the west and the rest of the world. China falling behind from a similar starting point. Comparison of income levels and living standards in the world prior and after the western industrial revolution.

- **Topic 7 - The Industrial Revolution in England and its diffusion.** Growth models. General Purpose Technologies and growth. Structural change, urbanization and public health. The integration of national markets and the nation-state. Factor endowments and technology adoption. Requisites for industrialization. Why did it not happen in France or Song China?
- **Topic 8. The first globalization wave (1850-1914) and its crisis.** British off-shoots and the international division of labour. Central, Eastern and Southern European backwardness and migrations. The grain invasion.
- **Topic 9. Rise of the US and the Great Depression.** Rise of the United States as main economic power, decline of Britain, international cooperation and growth until the First World War, increasing isolationism afterwards and the Great Depression.
- **Topic 10. Successful industrialisation – Japan from the Tokugawa Shogunate to the Meiji Restoration.** Isolationism during the Tokugawa Shogunate. The Meiji Restoration. Industrialisation of Japan.
- **Topic 11. Growth in the 20th century.** The growth century. The rise and fall of developmental policies. Mass production. Successful catch up in Western Europe. FDI and technological diffusion (multinationals). Alternative economic models (Soviet Union). De-colonization and growth failures in Africa and the Middle East.
- **Topic 12. The 21st century.** The future of the international economy. China and India, BRICS and Frontier Markets. Natural resource booms and busts and the Dutch disease. National capabilities and technology diffusion.

Evaluation

- Attendance and participation in class: 20 per cent.
- Take home examination: 80 per cent.

Here you can find a list of readings that could help you to understand better each one of the topics. I used many of these to prepare the PowerPoints, so the main arguments will sound familiar. The main readings for each week will be uploaded to Aula Global.

- **General readings**

- o Allen, R. C. (2011). *Global economic history: a very short introduction* (Vol. 282). Oxford University Press.
- o Cameron, R. E. and Neal, L. (2002). *A concise economic history of the world: from Paleolithic times to the present*. Oxford University Press, USA.
- o Kenwood, A. G., & Lougheed, A. L. (1999). *The growth of the international economy 1820-2000: An introductory text*. Psychology Press
- o Persson, K. G., & Sharp, P. (2015). *An economic history of Europe*. Cambridge University Press.

- **Long term growth and causes**

- o Maddison, A. (1991). *Dynamic forces in capitalist development: A long-run comparative view*. Oxford University Press, USA.
- o Mokyr, J. (1992). *The lever of riches: Technological creativity and economic progress*. Oxford University Press.
- o North, D. C., & Thomas, R. P. (1973). *The rise of the western world: A new economic history*. Cambridge University Press.
- o Álvarez-Nogal, C., Prados De La Escosura, L., & Santiago-Caballero, C. (2016). Spanish agriculture in the little divergence. *European Review of Economic History*, 20(4), 452-477.

- **Economic inequality**

- o Milanovic, B. (2011). *The haves and the have-nots. A Brief Idiosyncratic History of Global Inequality*. Harvard Educational Press
- o Piketty, T. (2014). *Capital in the 21st Century*. Harvard University Press

- **Population**

- o Clark, G. (2008a). *A farewell to alms: a brief economic history of the world*. Princeton University Press.
- o Clark, G. (2008b). In defense of the Malthusian interpretation of history. *European Review of Economic History*, 12(2), 175-199.
- o Bacci, M. L. (2017). *A concise history of world population*. John Wiley & Sons

- **The great divergence**

- o Lee, J., & Wang, F. (2001). One quarter of humanity: Malthusian mythology and Chinese realities, 1700-2000, Harvard University Press
- o Allen, R. C., (2011) 'The Great Divergence in European Wages and Prices,' *Explorations in Economic History*, 2001, 411-447
- o Parthasarathi, P. (2011). *Why Europe grew rich and Asia did not: Global economic divergence, 1600–1850*. Cambridge University Press.

- Pomeranz, K. (2000). *The great divergence*. Princeton University Press.
- Vries, Peer,(2016) 'What we do and do not know about the Great Divergence at the beginning of 2016', *Historische Mitteilungen der Ranke-Gesellschaft*, 28 (2016) 249-297.
- Wong, R. B. (1997). *China transformed: historical change and the limits of European experience*. Cornell University Press.

- **The Industrial Revolution**

- Allen, R. C. (2009). *The British Industrial Revolution in Global Perspective*. Cambridge: Cambridge University Press
- Crafts, N. (2011). Explaining the first Industrial Revolution: two views. *European Review of Economic History*, 15(1), 153-168.
- Mokyr, J. (2009). *The Enlightened Economy: An Economic History of Britain 1700–1850*. New Haven: Yale University Press.
- Stephenson, J. Z. (2019). Mistaken wages: the cost of labour in the early modern English economy, a reply to Robert C. Allen. *The Economic History Review*, 72(2), 755-769.

- **First globalization**

- Jacks, D. S. (2005). Intra-and international commodity market integration in the A 1913. *Explorations in Economic History*, 42(3), 381-413.
- O'Rourke, K. H., & Williamson, J. G. (2001). *Globalization and history: the evolution of a nif economy*. Mit Press.
- O'rourke, K. H., & Williamson, J. G. (2002). When did globalisation begin?. *Europea History*, 6(1), 23-50.

- **Rise of the US and Great Depression**

- Chandler Jr, A. D. (1993). *The visible hand*. Harvard University Press.
- Chandler, A. D., Hikino, T., & Chandler, A. D. (2009). *Scale and scope: The dynamics of industrial capitalism*. Harvard University Press
- Eichengreen, B., & Temin, P. (1997). The gold standard and the great depression (No. w6060). National Bureau of Economic Research
- Kemp, T. (2014). *The climax of capitalism: the US economy in the twentieth century*. Routledge
- Temin, P. (1991). *Lessons from the great depression*. MIT Press.

- **Failures to industrialise and poverty**

- Allen, R. C. (2003). *Farm to factory: A reinterpretation of the Soviet industrial revolution*. Princeton University Press.
- Collier, P., & Gunning, J. W. (1999). Explaining African economic performance. *Journal of economic literature*, 37(1), 64-111.
- Sachs, J. (2005). *The end of poverty: How we can make it happen in our lifetime*. Penguin UK.