

## **The political economy of economic growth: The past thousand years**

This course analyzes the sources of economic growth, focusing on the interaction of economic and political factors. We look at a series of experiences over the past 1400 years, from early medieval Venice through modern South Korea. In each case, we try to understand what explains the success or failure of long-term economic growth.

Most of the class will be devoted to discussion, so that it is important for students to come to class having done the reading. All students are expected to design and carry out an independent research project addressing some question having to do with the political economy of economic growth. A substantial amount of class time will be devoted to discussing research design. There will be periodic assignments related to the research paper. The paper is due on Wednesday, May 2 (the last day of reading period).

The research paper will count for 75 percent of your grade. Class participation will count for the remaining 25 percent.

Two books are required for purchase:

Daron Acemoglu and James Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York: Crown Business, 2012)

Stanley Engerman and Kenneth Sokoloff, *Economic Development in the Americas since 1500: Endowments and Institutions* (Cambridge: Cambridge University Press, 2012)

The Coop provides a link for ordering: <http://tinyurl.com/W18-GOVT-94JF-1>

At several points during the semester, members of the class are asked to read and summarize additional articles. These articles are indicated with an asterisk. They are not required reading for the rest of the students in the class.

Collaboration Policy: This course encourages collaboration on assignments for class presentations. However, collaboration on work submitted for formal evaluation – i.e. the final research paper – is not permitted. You are encouraged to discuss your research with other students, but your research paper should be entirely your own, and should use appropriate citation practices to acknowledge the use of books, articles, websites, lectures, discussions, etc., that you have consulted in the course of your research.

January 22 Introduction: The Political Economy of Economic Growth

January 29 Theoretical Perspectives I

Acemoglu and Robinson, chapters 1-3 (pages 7-95)

Daron Acemoglu, Simon Johnson, and James A. Robinson, "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *The Quarterly Journal of Economics*, Vol. 117, No. 4 (Nov., 2002), pp. 1231-1294

Jeffrey Sachs, "Institutions Matter, but Not for Everything," *Finance and Development* June 2003, pages 38-41.

February 5 Theoretical Perspectives II

Engerman and Sokoloff, Introduction, Chapters 1, 2, 10 and 11 (pages 1-56, 315-359)

Douglass North and Robert Paul Thomas, *The Rise of the Western World* (Cambridge: Cambridge University Press, 1973), Chapter 1 (pages 1-8)

February 12 Venice: The First Modern Economy

Acemoglu and Robinson, chapter 6 (pages 152-181)

Diego Puga and Dan Trefler, "International Trade and Institutional Change: Medieval Venice's Response to Globalization," *Quarterly Journal of Economics* 129, No. 2 (2014) pages 753-821

February 19 Presidents' Day – No Class

February 26 The free cities of medieval Europe

De Long, J. Bradford, and Andrei Shleifer. "Princes and Merchants: European City Growth before the Industrial Revolution." *The Journal of Law & Economics*, vol. 36, no. 2, 1993, pp. 671–702.

Dincecco, M. (2015). The Rise of Effective States in Europe. *The Journal of Economic History*, 75(3), 901-918.

David Stasavage, "Representation and Consent: Why They Arose in Europe and Not Elsewhere," *Annual Review of Political Science* 19:1 (2016), 145-162

David Stasavage, "What we can learn from the early history of sovereign debt," *Explorations in Economic History* 59 (January 2016), pages 1-16

\*Nico Voigtländer and Hans-Joachim Voth, "The Three Horsemen of Riches: Plague, War and Urbanization in Early Modern Europe" *The Review of Economic Studies* 80, No. 2 (April 2013), pages 774–811 [Summary at <http://voxeu.org/article/wars-plagues-and-europe-s-rise-riches>]

\*Jeremiah Dittmar, "Information Technology and Economic Change: The Impact of the Printing Press," *Quarterly Journal of Economics* 126, No. 3 (August 2011), pages 1133–1172 [Summary at <http://voxeu.org/article/information-technology-and-economic-change-impact-printing-press>]

\*Mark Dincecco and Yuhua Wang, "Violent Conflict and Political Development over the Long Run: China versus Europe," *Annual Review of Political Science* forthcoming 2018

March 5 Spain: Brilliant Failure

Acemoglu and Robinson, chapter 8

Mauricio Drelichman, "All That Glitters: Precious Metals, Rent Seeking and the Decline of Spain." *European Review of Economic History*, vol. 9, no. 3, 2005, pp. 313–336

Mauricio Drelichman and Hans-Joachim Voth, "Institutions and the Resource Curse in Early Modern Spain," in *Institutions and Economic Growth* Ed. Elhanan Helpman (Cambridge: Harvard University Press, 2008), pages 120-147

March 12     Spring break – No Class

March 19     England: From Civil War to Industrial Revolution

Acemoglu and Robinson, chapter 7

Charles Angelucci, Simone Meraglia, and Nico Voigtländer, “The Medieval Roots of Inclusive Institutions: From the Norman Conquest of England to the Great Reform Act,” working paper

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

David Stasavage, "Credible Commitment in Early Modern Europe: North and Weingast Revisited" *Journal of Law, Economics, and Organization* 18, No. 1 (2002), pp.155-86

*One-paragraph statement of research question due March 26*

March 26     The New World: North and South

Acemoglu and Robinson, chapters 10-11 (pages 274-334)

Engerman and Sokoloff, chapter 3 (pages 57-93)

\*Melissa Dell, “The Persistent Effects of Peru’s mining mita,” *Econometrica* 78, No. 6 (November, 2010), 1863–1903

\*Nathaniel H. Leff, “Economic Development in Brazil, 1822-1913,” in *How Latin America Fell Behind* Ed. Stephen Haber (Stanford: Stanford University Press, 1997), pages 34-64

\*Carlos Díaz Alejandro, "No Less than One Hundred Years of Argentine Economic History plus Some Comparisons," in Carlos Diaz Alejandro, *Trade, Development, and the World Economy* (New York: Basil Blackwell, 1988), pp. 230-260

April 9      The New World: North and South in the United States and Brazil

Engerman and Sokoloff, chapter 4 (pages 94-120)

Nathaniel Leff, "Economic Development and Regional Inequality: Origins of the Brazilian Case," *Quarterly Journal of Economics* 86, No. 2 (May 1972)

Naritomi, J, R. Soares, and J. Assunção. (2012). Institutional Development and Colonial Heritage within Brazil. *The Journal of Economic History*, 72 (2), 393-422.

Engerman and Sokoloff:

\*chapter 5: "The Evolution of Schooling, 1800-1925," pages 121-167

\*chapter 6: "Inequality and the Evolution of Taxation," pages 168-211

\*chapter 7: "Land and Immigration Policies," pages 212-244

*One-paragraph statement of argument due April 16*

April 16      Colonialism and its effects

Acemoglu and Robinson, chapters 9 and 12 (pages 245-273, 335-367)

Engerman and Sokoloff, chapter 9 (pages 295-314)

Daron Acemoglu, Simon Johnson and James Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, December, 2001, volume 91, pp. 1369-1401

\*Christian Dippel, Avner Greif, and Dan Trefler, "The Rents From Trade and Coercive Institutions: Removing the Sugar Coating," working paper [Summary at <http://voxeu.org/article/labour-coercion-and-outside-options>]

\*Iyer, Lakshmi. 2010. "Direct Versus Indirect Colonial Rule in India: Long-Term Consequences." *Review of Economics and Statistics* 92 (4) (November): 693-713.

\*Nunn, Nathan. 2008. The long-term effects of Africa's slave trades. *Quarterly Journal of Economics* 123(1): 139-176. [Summary at <http://voxeu.org/article/understanding-long-run-effects-africa-s-slave-trades>]

April 23      Post-colonial development

Acemoglu and Robinson, chapters 13-14 (pages 368-427)

Herbst, Jeffrey Ira. War and the State in Africa. *International Security*, 1990, Vol.14 (4), pp.117-139

Robert H. Bates, "Governments and Agricultural Markets in Africa," in *Toward a Political Economy of Development* Ed. Robert Bates (Berkeley: University of California Press, 1988), pages 331-358

Stephan Haggard, "The East Asian NICs in Comparative Perspective," *Annals of the American Academy of Political and Social Science* Vol 505, Issue 1, pp. 129 – 141 September 1989

April 30      Student presentations