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Economics 442  
Fall, 1999

### EUROPEAN ECONOMIC HISTORY

Course Scope and Goals: This course will examine the evolution of the European economy from the introduction of settled agriculture to the current mix of capitalism, socialism and central planning. Central topics to be considered include fluctuations in population growth and income during the middle ages, trends in agricultural productivity and land redistribution during the early modern period, the development of commercial and financial institutions during the medieval and early modern periods, the causes and consequences of the British industrial revolution, the industrialization of continental Europe during the nineteenth century, the evolution of international monetary arrangements from the late nineteenth century to the present, the nationalization of industries after World War II, the development of social safety nets, the experience of central planning under communism, and the growing economic integration within Europe.

By studying the case of Europe this semester, you will (hopefully) develop skills in three general areas:

1) how to construct an account of an important long run economic change. Important long run economic changes such as the shift of economic activity from agriculture to manufacturing or the rise in living standards are subject to diverse influences. An effective account of such changes will make allowance for a range of possible influences and consider their relative importance.

2) how to compare key differences between economies in their long term economic development. Why at any point in time are some nations more prosperous than others? Why have the economic winners and losers frequently exchanged places over time?

3) what have been the comparative contributions of technological advance and institutional/organizational change to economic progress? For example what contributions has scientific discovery compared with the spread of free markets made to rising living standards?

### Course Requirements :

1) A midterm and a final examination covering the material presented in class and the in the readings. Although the final will emphasize material covered after the midterm, it may contain some material from the first part of the course. The midterm will count for approximately 30 percent and the final for 35 percent of your final grade. The format of both exams will

consist of three types of questions: a) questions asking you to identify and explain the significance of key terms and concepts in European Economic History b) a short essay question asking you to summarize the basic arguments and conclusions that have been made with regard to a specific issue in European Economic History and c) a longer essay question involving one or more of the three skills listed above.

2) One paper (suggested length 10 pages) on an assigned topic related to the lectures and readings. A list of topics and more detailed instructions on the format will be distributed. The purpose of the paper is not to force you to do a large amount of outside reading. Rather, I want you to use it as an opportunity to think more deeply about some of the material covered in class and the assigned readings. The paper is due Tuesday, December 14, 1999. Any late papers will be subject to a grade penalty. The paper will count for approximately 35 percent of your final grade.

3) A one or two page summary of one of the more in depth readings (i.e. one of the readings other than the Cameron text). The summary should present the main arguments and evidence in the reading you consider and state the more general significance of this material. The summary should be presented with a suitable number of copies for the class appropriate to the given reading. It will be graded on the basis of check, check plus, and check minus. A generally satisfactory summary will receive a check. An especially apt and insightful summary will receive a check plus. A more perfunctory and inadequate summary will receive a check minus. In addition you should be especially prepared to contribute to class discussion for the class session appropriate to your summary topic. The summary grade will count for approximately 5 percent of your final course grade and will be used to resolve border-line cases.

A Note on Grades: I grade on an absolute scale, not on a curve. In grading essay questions and papers, I will use the following scale for converting from numerical percentages to letter grades:

85-100	A	40-59	C	0-19	F
60-84	B	20-39	D		

#### Readings:

The basic text for the course is Rondo Cameron A Concise Economic History of the World Third Edition (Oxford University Press, 1997). There is also a course packet of selected readings for this course available for purchase at the book store. There will be essay questions on the mid-term and final exams on these readings.

In addition, I have ordered the following books for purchase at the bookstore. There will be a long essay question on either the mid-term or the final exam involving each of these books (you will have a choice of long essay questions). In addition, I anticipate that you may use one or more of these books extensively in writing your paper.

- 1) Edwin S. Hunt and James M. Murray, A History of Business in Medieval Europe 1200-1550.
- 2) Mark Overton, Agricultural Revolution in England
- 3) Joel Mokyr ed., The British Industrial Revolution: An Economic Perspective Second Edition.
- 4) Mikulas Teich and Roy Porter eds., The Industrial Revolution in National Context.
- 5) Barry Eichengreen, Globalizing Capital. A History of the International Monetary System
- 6) R.W. Davies, Soviet Economic Development from Lenin to Krushchev.

Class Format : Class sessions will consist of a mix of lectures, and discussion. Each class period will focus on a particular issue. The first part of the class will consist of formal lecture on the given issue. The next part will focus on discussion of the issue in question. Movies and Videos will be shown at the end of each class.

Tentative Schedule and Reading Assignments :

Sept. 7 : Introduction; Why Study Economic History ?  
 Why Study the European Case ?  
 The First Agricultural Revolution. What were the causes and consequences of the domestication of animals and the cultivation of plants? To what extent was the agricultural revolution in Neolithic times a technological advance and to what extent was it an institutional change.

Readings: 1) Cameron, Chapter 1.  
 1) Cameron, Chapter 2, pages 20-32;  
 2) Douglass North, "The First Economic Revolution" and "The Consequences of the First Economic Revolution" in Course Packet

Movie "The Harvest of the Seasons"

September 16: Pre-industrial Population Trends and Cycles in Europe. What is the Malthusian model of population determination? To what extent did Malthusian forces influence population and economic trends in pre-industrial Europe? Was population pressure the main influence at work?

Readings: 1) Cameron, Chapter 3, pages 54-59, 74-77.  
 2) Cameron, Chapter 5, pages 95-99.  
 3) Course Packet, Livi Bacci.

Video, "Common Life in the Middle Ages"

September 21: The Organization and Development of Medieval Agriculture. Why did serfdom arise? What was the manor and how did it function?

Readings: 1)Cameron, Chap.3, pp.44-54.  
2)Mark Overton, The Agricultural Revolution in England,  
Chap. 2.

Movies "Medieval Manor" and "The Middle Ages"

September 28: The Agricultural Revolution in Europe between 1500 and 1850. What were the key institutional and technological changes which occurred in European agriculture during this period? How much improvement occurred in agricultural productivity? What factors contributed to this improvement? Was a rise in inequality and the disappearance of small landholders the necessary price of rising agricultural productivity? Did improvements in agriculture during this period lay the foundation for later industrialization?

Readings: 1)Cameron, Chap.5, pp.107-114.  
2)Overton, Agricultural Revolution in England,  
Chaps.1, 3-5.  
3)Gregory Clark, "Too Much Revolution, Agriculture in the Industrial Revolution, 1700-1860" in Mokyr ed., British Industrial Revolution.

Videos "Age of Charlemagne" and "Freedom and Plenty"

October 5: Ancient and Medieval Commerce: How extensive was long-distance trade and commerce in Ancient and Medieval Europe? Why was long-distance trade risky during this period? What partnership arrangements emerged to deal with the risks of long-distance trade? What role did reputation play in such arrangements?

Readings: 1)Cameron, Chap.2, pp.32-43.  
2)Cameron, Chap.3, pp.59-68.  
3)Edwin Hunt and James Murray, A History of Business in Medieval Europe, chaps.1,3,5,7,9  
4) Avner Greif, "Reputation and Coalitions in Medieval Trade: Evidence on the Maghribi Traders," Course Packet.

Movie "Trade and Industry" and "Rise of the Trading Cities"

October 12: The Rise of the Nation State and the Revolution in Government Finance. What role did governments play in economic affairs during this period? What basic differences were there in the policies and strategies various governments used to manage their economies? What influence did these policies and strategies have on economic performance and efficiency? What factors contributed to the enhanced ability of the British government to issue public debt?

Readings: 1)Cameron, Chapter 6, pp.130-134, and pp. 144-153 and pp.156-162.

2)Douglass North and Barry Weingast, "Constitutions and Commitment: The Evolution of Institutions

Governing Public Choice in Seventeenth-Century England," in Course Packet.

Video "The Enlightened Despots"

October 19: MIDTERM.

Movie "Thunder in the Skies"

October 26 The British Industrial Revolution. Part I.

What were the key features of the British Industrial Revolution? Was it Really a Revolution? What important inventions contributed to the industrial revolution?

Macroeconomic Perspectives on the British Industrial Revolution. What was the extent of the shift of economic activity away from agriculture during the British industrial revolution. To what extent did economic growth accelerate during the British industrial revolution? What percentage of economic growth was due to productivity advance? To what extent was productivity advance focussed in a few leading sectors of the British economy?

Readings: 1)Cameron, Chap.7.

2)Nick Crafts, "The Industrial Revolution," in Course Packet.

3)Joel Mokyr, "Editor's Introduction: The New Economic History and the Industrial Revolution" in Mokyr ed. The British Industrial Revolution.

4)C.Knick Harley, "Reassessing the Industrial Revolution: A Macro View" in Mokyr ed. The British Industrial Revolution.

Movies "The Industrial Revolution in Britain."  
and "Industrial Revolution"

November 2: The British Industrial Revolution Part II. The Rise of the Factory. How did the organization of manufacturing enterprises change during the British industrial revolution? What was the extent of the shift to factory organization? What were the key characteristics of factory organization? To what extent did the rise of the factory reflect technological considerations and to what extent organizational considerations?

Trends in Working-Class Living Standards during the British Industrial Revolution? Did working-class

living standards improve during the industrial revolution? What indicators have been used to measure trends in living standards? To what extent do various measures indicate consistent trends?

Reading: 1) Maxine Berg, "Factories, workshops and industrial organisation," in Course Packet.

Reading: 1) Peter Lindert, "Unequal Living Standards," in Course Packet.

Video "The Industrial World"

November 9: Industrialization on the European Continent. Was the British case a model for continental industrialization? Was there a natural tendency for growth rates to converge among European countries? Did different European economies develop in different ways and what factors explain these differences?

A. France. Why did France industrialize at a slower rate than Britain? Did the French Revolution impede economic development? Were Peasants too comfortable? Was there an inadequate supply of French entrepreneurs?

B. Germany. What factors contributed to Germany's ability to overtake Britain in technological leadership at the end of the nineteenth century? What role did educational superiority play? Did links between banks and large corporations provide important advantages?

C. Russia. Did low productivity in Russian agriculture impede the growth of its manufacturing sector? Did the backwardness of the Russian economy offer compensating advantages when it began to industrialize? Did backwardness imply a distinctive pattern of industrialization?

D. Survey of remaining European cases -- Scandinavia, Belgium, Spain, Italy, and Austro-Hungary. Alternative patterns of Economic development. Did smallness provide advantages? Could high rates of economic growth be achieved without industrialization? Further ways in which backward agriculture could impede industrial growth.

Reading: 1) Cameron, Chapters 8, 9, 10, and 11.  
2) Teich and Porter, Industrial Revolution in National Context, Chap.2. Francois Crouzet, "France."  
3) Teich and Porter, Industrial Revolution in National Context, Chap.5. Richard Tilly, "Germany Industrialization."  
4) Teich and Porter, Industrial Revolution in National

Context, Chap. 14. Roger Munting, "Industrial Revolution in Russia."

5) Teich and Porter, Industrial Revolution in National Context, Chaps. 3, 7, 8, 9, 10, 11, 12, 16.

Video, "The New Public"

November 16: Development of the International Economy and the Gold Standard. To what extent did Europe become more integrated into the international economy prior to 1914?

Did the gold standard contribute to monetary stability? Was the gold standard self-regulation?

Reading: 1) Eichengreen, Globalizing Capital, Chap. 2.

2) Cameron, Chapter 12.

Video, "The Technological Revolution"

November 23: Crises, Stagnation, and Depression in the first half of the Twentieth Century. To what extent did difficulties with international finance and monetary arrangements contribute to stagnation and depression in the interwar period?

Socialism and Working Class movements. Have the factors behind economic growth been different in the 20th century than in the 19th? What important changes in technology and economic organization have occurred in 20th century Europe? Have communism and socialism promoted equality? How did war change economic activity? What economic strategies did various European countries employ to pursue their military aims during war?

Reading: 1) Eichengreen, Globalizing Capital, Chap. 3.

2) Cameron, Chapter 13.

3) Cameron, Chapter 14.

4) R.W. Davies, Soviet Economic Development from Lenin

to Krushev.

Movies "The Russian Peasant" "Soviet Challenge: The Industrial Revolution in Russia".

November 30 The Development of the Welfare State and Middle Way in Western Europe. The Nationalization of Industrial Enterprises -- Causes and Consequences.

Reading: 1) James Foreman-Peck and Robert Millward, "The Causes and Consequences of the 1940s Nationalizations," in Course Packet.

2) Rebecca Blank, "Does a Larger Social Safety Net Mean Less Economic Flexibility?" in Course Packet.

Movie "Rise of English Socialism"

December 7: International Monetary Arrangements in the 1950's and 1960's. Postwar Reconstruction. Early attempts at the economic integration of Europe.

Reading: 1) Eichengreen, Globalizing Capital, Chap.4.  
2) Cameron, Chap.15.

Video, "Cold War"

December 14: The further integration of the European Economy --  
how far can and will it proceed?

Reading: 1) Eichengreen, Globalizing Capital, Chap.5.  
2) Cameron, Chap.16.

Video -- "Europe 1992 -- The Next Challenge"

DUE DATE: Term paper, December 14.

\*\*\*\*\*Final Examination\*\*\*\*\*  
Tuesday, December 21, 8:30 to 10:30 P.M.