

ECONOMICS 474
TOPICS IN ECONOMIC HISTORY
WINTER 2007
12:05p.m. TTH

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HRS: 1:30 to 2:30; 4:30-5:30 TTH or by appointment, call 2-4740

COURSE OBJECTIVE: This course focuses on the application of long-run economic theory to history and the use of evidence to help interpret history. The methods used in this class may be applied to any problem involving evidence and its interpretation. Any interpretation, argument, policy debate, or course of action should turn on the persuasiveness of the evidence. In particular, we will look at empirical evidence—how it is developed and organized, how it is used, its relationships to theory. The insights gained in this class on the use of evidence for historical analysis are applicable to contemporary issues. This is not a course in econometrics or econometric technique, though those techniques will prove useful. We are looking at evidence and data more broadly.

PREREQUISITES: You must have had intermediate microeconomic theory (Econ. 380) for this course. You should either have taken 388 or be enrolled this semester. Econ. 381 will be helpful but not essential. Econ. 274 is not required though students who have taken Econ. 274 may find this course a useful extension.

READING: There is no text for this class. Much of the reading may be accessed through JSTOR. Reading not available on JSTOR will be available on reserve.

EXAMS: Examinations will comprise two-thirds of your grade. I will cumulate the points on the mid-term and the final and assign you a letter grade. A comprehensive final will be given and a letter grade assigned to that exam. If the comprehensive final is significantly higher than the cumulative exam score, I will use the final exam grade dropped one step (A to A- etc.) to determine your grade on the exam part of the course.

PROJECT: A research project will comprise the other third of your grade. We will discuss that assignment the first day of class. The final research report will be due at the close of business on Dec. 14. Your grade on the project will be reduced one step (e.g. A- to B+) for each business day late.

COURSE GRADE: Your course grade will be determined by your exam grade (67%) and your paper grade (33%). There is no pre-determined distribution of grades for the class.

Each program at BYU has developed a set of expected student learning outcomes. These will help you understand the objectives of the curriculum in the program, including this class. To learn the expected student outcomes for the programs in this department and college go to <http://learningoutcomes.byu.edu> and click on the College of Family, Home and Social Sciences and then this department. We welcome feedback on the expected student learning outcomes. Any comments or suggestions you have can be sent to FHSS@byu.edu.

TENTATIVE READING SCHEDULE

Jan 9 Course Introduction—Discussion of course project

Jan 11 Using Theory and Measurement to Recover the Past—A solid understanding of the past requires an integration of theory and measurement. We will first look at an example that is outside of economics—a forest fire that turned deadly.

Richard Rothermel “The Mann Gulch Fire: The Race that Could Not Be Won,” USDA Technical Report (May, 1993)

This reading is available at http://www.fs.fed.us/rm/pubs/int_gtr299/

Jan 16-18 Measurement Through and About History—Much of economics rightfully emphasizes economic theory. But it is also important for you to understand the importance of measurement in the progress of knowledge and its application. In this section, we will look at the importance of measurement in the development of western civilization. We will then consider three outstanding examples of innovation in measurement.

Richard Steckel and Joseph Prince “Tallest in the World: Native Americans of the Great Plains in the Nineteenth Century” American Economic Review (March 2001) pp. 287-294.

David Galenson, Painting Outside the Lines: Patterns of Creativity in Modern Art, pp. 1-31. (on reserve)

Jan 23-25 Measurement of Economic Well-being

Steven Landesfield “GDP: One of the Great Inventions of the Twentieth Century” Survey of Current Business January 2000 This article may e found at <http://www.bea.gov/bea/ARTICLES/BEAWIDE/2000/0100od.pdf>

A. K. Sen “From Income Inequality to Economic Inequality” *Southern Economic Journal* (October 1997) pp. 383-401.

Richard Easterlin “The Worldwide Standard of living since 1800” (in Symposium: Looking Backward at Economics and the Economy)

The Journal of Economic Perspectives, Vol. 14, No. 1. (Winter, 2000), pp. 7-26.

Dora Costa and Richard Steckel, “Long Term Trends in Health, Welfare and Economic Growth in the United States,” in Steckel and Floud, Health and Welfare pp. 47-78. (On reserve)

Jan 30-Feb 6 Measurement and Explanations of Economic Performance--In this section you should learn to decompose the factors influencing economic growth. We will also consider the forces that change the structure of the economy--the decline of agriculture etc. We will take up the issue of convergence or divergence in economic growth.

Economics of the Long-run Part I (on blackboard)

Robert Solow, "Technical Change and the Aggregate Production Function," Review of Economics and Statistics, (August, 1957) pp. 312-320.

Brad DeLong "Growth Accounting" may be found at: http://www.j-bradford-delong.net/macro_online/growth_accounting.pdf

Richard Easterlin, "Why Isn't the Whole World Developed?" Journal of Economic History (March, 1981) pp. 1-19.

Paul Romer, "Why, Indeed, in America? Theory, History and the Origins of Modern Economic Growth," American Economic Review (May, 1996) pp. 202-206

Robert Fogel, "Economic Growth, Population Theory and Physiology: The Bearing of Long-Term Processes on the Making of Economic Policy," American Economic Review (June, 1994) pp. 369-395.

Feb 8 Structural change

Economics of the Long-run Part II (on blackboard)

Feb 13 Measurement of Demographic Change--In this section, you should gain an understanding of basic demographic measures and their applicability to economic issues. You should also understand the importance of definition of who is "at risk" in a population.

Demographic Measurement (on blackboard)

Feb 15 Mid-term Examination (in class)

Feb 20 No class Monday instruction

Feb 27 Arden Pope gives Faculty Forum Please attend

Feb 22-March 8 Interpreting History: Indentured Servitude and Slavery This section shows how economic theory and data come together to allow us to interpret history. We will deal with many complex issues of data interpretation. This is a section that will test your ability to read critically.

David Galenson, "The Market Evaluation of Human Capital: the Case of Indentured Servitude," Journal of Political Economy 89, no. 3 (June, 1981) pp. 446-67.

Robert Fogel and Stanley Engerman, Ch. 6 Time on the Cross: the Economics of American Negro Slavery 1974. (on reserve)

Paul David and Peter Temin, "Slavery: the Progressive Institution?" Journal of Economic History (September, 1974), pp. 739-783.

Robert Fogel and Stanley Engerman, "Explaining the Relative Efficiency of Slave Agriculture in the Antebellum South," American Economic Review (June, 1977) pp. 275-296.

Several authors "Replies to Fogel and Engerman." American Economic Review, (March, 1979) pp. 206-226.

Robert W. Fogel and Stanley L. Engerman "Explaining the Relative Efficiency of Slave Agriculture in the Antebellum South:Reply" The American Economic Review, Vol. 70, No. 4. (Sep., 1980), pp. 672-690.

Mar 13-20 Macroeconomic History--The first article is fun and introduces the key macroeconomic issue of the 19th century. The second issue is an introduction to the economic topic of twentieth century economic history--the great depression.

Hugh Rockoff "The Wizard of Oz as a Monetary Allegory," Journal of Political Economy (August, 1990) pp. 739-760.

Christina Romer, "The Nation in Depression," Journal of Economic Perspectives (Spring, 1993) pp. 19-39.

Mar 22-29 Demographic Change and its impact on the Economy

Michael Haines, "The Population of the United States, 1790-1920" in The Cambridge Economic History of the United States Volume II, Stanley L. Engerman and Robert E. Gallman (eds.) pp. 143-206

"Brief history of social security" may be found at <http://www.ssa.gov/history/briefhistory3.html>

"2006 Social Security Trustees Report" go to <http://ssa.gov/OACT/TR/>

April 3-12 Trends in The Distribution of the Standard of Living—How should we measure well-being? Economists have typically measured per capita income. But there are an increasing number of other measures. Also, how should we measure the distribution of well-being? Economists and policy-makers concentrate on the distribution of income. We will see that the distribution of income is not closely correlated with the distribution of other aspects of well-being.

Clayne Pope “The Measurement of the Distribution of Well-being” will be posted on blackboard

Clayne Pope, “Inequality in the Nineteenth Century” in The Cambridge Economic History of the United States Vol. II edited by Stanley L. Engerman and Robert E. Gallman pp. 109-142. (On reserve)

Clayne Pope “Households on the American Frontier: The Distributions of Income and Wealth in Utah, 1850-1900,” In Markets in History: Economic Studies from the Past, Cambridge Press, edited by David Galenson, 1989 pp. 148-189 (On reserve)

Lant Pritchett “Divergence, Big time,” Journal of Economic Perspectives Volume 11 (Summer, 1997) pp. 3-17.

April 17 LESSONS FROM ECONOMIC HISTORY

Comprehensive Final Examination Saturday April 21, 7 to 10 a.m. in classroom

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PROJECT

SUBJECT: Your project should be focused on some aspect of measurement of change in the standard of living or its distribution. You can examine any country and any time period.

LENGTH OF PAPER: Because of the size of this class and the pressures on your time, I am going to ask that you hand in only an abstract, an executive summary, tables and figures and bibliography for a paper.

Data Sources: There are many sources of historical data. U.S. Government data, including historical data, may be found at fedstats.gov. A tabulation of historical data may be found in *Historical Statistics of the United States: Colonial times to 1970* a two volume compilation of data on almost all subjects. The University of Virginia has a nice census browser at <http://fisher.lib.virginia.edu/collections/stats/histcensus/> You can download your own uniquely created data sets from any census from 1850 to 2000 from <http://www.ipums.umn.edu/>. EH.net can also be a useful on-line site for data. BYU computers have access to [ancestry.com](http://www.ancestry.com) at <http://www.ancestry.com/> where you may look at individual records in a census microfilm. You could use this tool to create a data set linked over two census years. A good place to start for data on foreign countries is the CIA world fact book found at <https://www.cia.gov/cia/publications/factbook/index.html> The United Nations also has a large body of data which may be found at <http://unstats.un.org/unsd/databases.htm> OECD data may be found at www.oecd.org World Bank data is available at www.worldbank.org and in the library.

Sources for relevant articles: JSTOR has back issues of the primary journals that will be helpful in getting you started on a topic. Normally the best journal for historical research is the *Journal of Economic History*. EH.net can also be a useful on-line source for bibliographical information. JSTOR also lets you enter a subject or author. You can also search the databases in the Lee Library.

ABSTRACT: The abstract should set out the question you are investigating and your findings. It is not an introduction. It should be very tightly written and no more than a page.

EXECUTIVE SUMMARY: No more than 3 pages. It is probably best to put it in an outline or bulleted form referring to tables and figures where appropriate.

TABLES AND FIGURES: You may add as many tables and figures as you like, but they should be pertinent and well-organized. Most economic historians start an article by organizing a set of tables and/or figures, then write the text around those items. Each table or figure should list sources and any notes needed.

BIBLIOGRAPHY: You should list everything you read or consulted in doing the project.

Policies:

1. The paper must be based on new research done this semester.
2. Joint authorship is limited to 2 individuals.
3. Paper topic may be used in another class as well such as 388 or your English class, but you must still conform to the page limits for this class.
4. Paper is due in a printed form by the end of business December 14, 2006.
5. Paper grade will be lowered one step (A to A-) for each business day late.