

Seminar in Politico-Economic History

Spring 2006

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This seminar will consider how modern theories of political economy can be employed to better understand important episodes in economic history. Topics will include (but not be limited to) the Rise of the West, Redistribution and Inequality in Historical Perspective, Colonialism and Economic Development, and the link between Representative Institutions and Government Commitment. Students will be expected to make class presentations on the readings in addition to writing a research paper. This paper can take several forms. It could extend the scope of one or more of the readings, or it could devise a new empirical test for one of the topics. It should not be restricted to a literature review.

Since this is the first time I am teaching this course, and in fact the first time I am teaching at NYU, I am quite open to suggestions for additions, modifications, or substitution of topics in this syllabus. Once the group is settled, we can consider these issues.

The vast majority of readings that follow are available electronically. The exceptions involves the following books that have been ordered for purchase, and the following contents ordered as a reading packet.

Books ordered for purchase:

Acemoglu, Daron and James Robinson (2005) *Economic Origins of Dictatorship and Democracy*, Cambridge University Press.

Przeworski, Adam, Michael Alvarez, José Antonio Cheibub, and Fernando Limongi (2000) *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*, Cambridge University Press.

North Douglass and and Robert Paul Thomas (1973) *The Rise of the Western World: A New Economic History*, Cambridge University Press.

Lindert, Peter (2004) *Growing Public: Volume 1: The Story, Social Spending and Economic Growth Since the Eighteenth Century*, Cambridge University Press.

Pirenne, Henri (1956 [1937]) *Economic and Social History of Medieval Europe*, Harvest, Harcourt Brace.

Van de Walle, Nicolas (2001) *African Economies and the Politics of Permanent Crisis, 1979-1999*, Cambridge University Press.

Reading packet contents:

Epstein, Stephan (2000) *Freedom and Growth: The Rise of States and Markets in Europe, 1300-1750*, Routledge, pp.1-37.

Tilly, Charles (1990) *Coercion, Capital, and European States*, Basil Blackwell, pp.1-95.

Ertman, Thomas (1997) *Birth of the Leviathan: Building States and Regimes in Medieval and Early Modern Europe*, Cambridge University Press, pp.1-34.

Jeffrey Herbst (2000) *States and Power in Africa: Comparative Lessons in Authority and Control*, Princeton University Press, pp.3-31 and 97-136.

Bates, Robert (2005 [1981]) *Markets and States in Tropical Africa*, University of California Press, preface + 2005 edition + introduction + chapter 1.

January 17 - Introductory Session

January 24 - State Development in the Long Run

North Douglass and and Robert Paul Thomas (1973) *The Rise of the Western World: A New Economic History*, CUP, pp.1-158.

Acemoglu, Daron, Simon Johnson, and James Robinson (2005) “Institutions as the Fundamental Cause of Long-Run Growth”, National Bureau of Economic Research Working Paper no.10481, May 2004.

Przeworski, Adam (2004) “Institutions Matter?” *Government and Opposition*, vol.39, no.4, pp.527-540.

Acemoglu, Daron (2005) “Modelling Inefficient Institutions”, mimeo, MIT.

Hoffman, Philip and Jean-Laurent Rosenthal “Divided We Fall: The Political Economy of Warfare and Taxation”, mimeo, UCLA and Caltech.

January 31 - Further long run perspectives on state development

Tilly, Charles (1990) *Coercion, Capital, and European States*, Basil Blackwell, pp.1-95.

Ertman, Thomas (1997) *Birth of the Leviathan: Building States and Regimes in Medieval and Early Modern Europe*, Cambridge University Press, pp.1-34.

Greif, Avner (2005) "Commitment, Coercion, and Markets: The Nature and Dynamics of Institutions Supporting Exchange", forthcoming Handbook of New Institutional Economics.

Greif, Avner (2005) "Building a State: Genoa's Rise and Fall", Stanford University.

Pirenne, Henri ([1937]) *Economic and Social History of Medieval Europe*, Harvest.

February 7 – Representative Institutions and Government Commitment

North, Douglass and Barry Weingast (1989), "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth Century England", *Journal of Economic History*, vol.49 no.4, pp.803-832.

DeLong, J. Bradford and Andrei Shleifer (1993) "Princes and Merchants: European City Growth Before the Industrial Revolution", *Journal of Law and Economics*, vol.36, no.2, pp.671-702.

Stasavage, David (2002), "Cities, Constitutions, and Sovereign Borrowing in Early Modern Europe", mimeo, LSE.

Stasavage, David (2003) *Public Debt and the Birth of the Democratic State: France and Great Britain, 1688-1789*, Cambridge University Press, ch.1, pp.1-25

Stasavage, David (2005) "Partisan Politics and Public Debt: the Importance of the Whig Supremacy for Great Britain's Financial Revolution", mimeo.

Acemoglu, Daron, Simon Johnson, and James Robinson (2003) "The Rise of Europe: Atlantic Trade, Institutional Change and Economic Growth", *American Economic Review*, vol.95, no.3, pp.546-579.

Epstein, Stephan (2000) *Freedom and Growth: The Rise of States and Markets in Europe, 1300-1750*, Routledge, pp.1-37.

Tomz, Michael (2004) "How Do Reputations Form? New and Seasoned Borrowers in International Capital Markets", mimeo, Stanford University.

Sussman Nathan and Yishay Yafeh (2003) "Constitutions and Commitment: Evidence on the Relation Between Institutions and the Cost of Capital", Hebrew University of Jerusalem.

Clark, Gregory (1996), "The Political Foundations of Modern Economic Growth, England 1540-1800", *Journal of Interdisciplinary History*, vol.26, no.4, pp.563-588.

February 14 - Determinants of Democracy

Acemoglu, Daron and James Robinson (2005) *Economic Origins of Dictatorship and Democracy*, Cambridge University Press.

Acemoglu, Daron, Simon Johnson, James Robinson, and Pierre Yared (2004) "Income and Democracy"

Przeworski, Adam and Fernando Limongi (1997) "Modernization: Theories and Facts", *World Politics*, vol.49. no.2, pp.155-183.

Przeworski, Adam, Michael Alvarez, José Antonio Cheibub, and Fernando Limongi (2000) *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*, Cambridge University Press.

Boix, Carles and Susan Stokes (2003) "Endogenous Democratization", *World Politics*, vol.55, pp.517-549.

Weingast, Barry (2005) "The Constitutional Dilemma of Economic Liberty", *Journal of Economic Perspectives*", vol.19, no.3, pp.89-108.

Olson, Mancur (1993) "Dictatorship, Democracy, and Development", *American Political Science Review*, vol.87, no.3, pp.567-576.

February 21 - Democracy and Education in Historical Perspective

Lindert, Peter (2004) *Growing Public: Volume 1: The Story, Social Spending and Economic Growth Since the Eighteenth Century*, Cambridge University Press.

Acemoglu, Daron, Simon Johnson, James Robinson, and Pierre Yared (2004) "From Education to Democracy?"

Glaeser, Edward, Giacomo Ponzetto, and Andrei Shleifer (2005) "Why Does Democracy Need Education?", mimeo, Harvard University.

Stasavage, David (2005) "Democracy and Education Spending in Africa", *American Journal of Political Science*, vol.49, no.2 pp.343-358.

Stasavage, David (2005) "Democracy and Primary School Attendance: Aggregate and Individual Level Evidence From Africa", mimeo, LSE.

Bourguignon, François and Thierry Verdier (2000) "Oligarchy, Democracy, Inequality, and Growth", *Journal of Development Economics*, vol.62, pp.285-313.

Saint-Paul, Gilles and Thierry Verdier (1993) "Education, Democracy, and Growth", *Journal of Development Economics*, vol.42, pp.399-407.

Bueno de Mesquita, Bruce and George Downs (2005) "Strategic Coordination, Public Goods, and Political Survival", mimeo, NYU.

Ansell, Ben (2005) "Traders, Teachers, and Tyrants: Democracy, Globalization, and Public Investment in Education", mimeo, Harvard University.

Brown, David (1999) "Reading Writing, and Regime Type Democracy's Impact on School Enrollment", *Political Research Quarterly*, vol.52, no.4, pp.681-707.

Brown, David and Wendy Hunter (1999), "Democracy and Social Spending in Latin America", *American Political Science Review*, vol.93, no. 4, pp.779-790.

February 28 - Colonial institutions and Economic Development

- Acemoglu, Daron, Simon Johnson and James Robinson (2001) "The Colonial Origins of Comparative Development", *American Economic Review*, vol.91, no.4, pp.1369-1401.
- Glaeser, Edward, Rafael La Porta, Florencio Lopez-de-Silanes, and Shleifer, Andrei (2004) "Do Institutions Cause Growth?" *Journal of Economic Growth*, vol.9, pp.271-303.
- Edward Glaeser and Andrei Shleifer (2002) "Legal Origins", *Quarterly Journal of Economics*, vol.117, no.4, pp.1193-1229.
- Przeworski, Adam (2004) "Geography vs. Institutions Revisited: Were Fortunes Reversed?", mimeo, NYU.
- Englebert, Pierre (2000) "Pre-Colonial Institutions, Post-Colonial States and Economic Development in Tropical Africa", *Political Research Quarterly*, vol.53, no.1, pp.7-36.
- Easterly William and Ross Levine (2003) "Tropics, Germs, and Crops: How Endowments Influence Economic Development", *Journal of Monetary Economics*, January pp.3-40.
- Sachs, Jeffrey (2001) "Tropical Underdevelopment", NBER Working Paper no.8119.
- Engerman, Stanley and Kenneth Sokoloff (2002) "Factor Endowments, Inequality, and Paths of Development Among New World Economies", NBER Working Paper, no.9259.
- Engerman, Stanley and Kenneth Sokoloff (2005) "The Evolution of Suffrage Institutions in the New World", *Journal of Economic History*, vol.65, no.4, pp.891-921.
- Young, Crawford (1997) *The African Colonial State in Comparative Perspective*, Yale University Press.

March 7 - Trade and Nineteenth Century Tariffs

- Gourevitch, Peter (1977) "International Trade, Domestic Coalitions, and Liberty: Comparative Responses to the Crisis of 1873-1896", *Journal of Interdisciplinary History*, vol.8, no.2, pp.281-313 .
- Rogowski, Ronald (1987) "Political Cleavages and Changing Exposure to Trade", *American Political Science Review*, vol.81, no.4, pp.1121-1137.
- Hiscox, Michael (2001) "Class versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade" *International Organization*, vol.55 no.1 pp.1-46.
- Williamson, Jeffrey (2004) "The Tariff Response to World Market Integration in the Periphery Before the Modern Era", paper for World Market Integration Workshop, Florence.

Schonhardt-Bailey, Cheryl (2003) "Ideology, Party, and Interests in the British Parliament of 1841-1847", *British Journal of Political Science*, vol.33, pp.581-605.

March 21 - Inequality in Historical Perspective

Atkinson, Anthony (2005) "Comparing the Distribution of Top Income Across Countries", *Journal of the European Economic Association*, vol.3 nos.2-3, pp.393-401.

Piketty, Thomas (2005) "Top Incomes Shares in the Long Run: An Overview", *Journal of the European Economic Association*, vol.3 nos.2-3, pp.382-393.

Rogowski, Ronald and Duncan MacRae (2004) "Inequality and Institutions: What Theory, History of (Some) Data Tell Us", mimeo, UCLA.

Piketty, Thomas and Emmanuel Saez (2003) "Income Inequality in the United States: 1913-1998", *Quarterly Journal of Economics*, vol.108, pp.1-39.

Hoffman, Philip, David Jacks, Patricia Levin and Peter H. Lindert (2002) "Real Inequality in Europe Since 1500", *Journal of Economic History*, vol.62, no.2, pp.322-355.

Allen, Robert (2001) "The Great Divergence in European Wages and Prices from the Middle Ages to the First World War", *Explorations in Economic History*, vol.38, pp.411-447.

Bourguignon, François and Christian Morrison (2002) "Inequality Among World Citizens: 1820-1992", *American Economic Review*, vol.92, no.4, pp.727-744.

Kuznets, Simon (1955) "Economic Growth and Economic Inequality", *American Economic Review*, vol.45, no.1, pp.1-28.

March 28 – The Politics of Redistribution

Persson, Torsten and Guido Tabellini (2000) *Political Economics* pp.118-123 and pp.140-145.

Franzese, Robert (2005) "The Joint Endogeneity of Inequality and Unemployment, Redistribution and Insurance, and Participation: A Theoretical and Empirical Model", mimeo, University of Michigan.

Franzese, Robert (2000) "Political Participation, Income Distribution, and Public Transfers in Developed Democracies",

Piketty, Thomas (1995) "Social Mobility and Redistributive Politics", *Quarterly Journal of Economics*, vol.110, no.3, pp.551-584.

Wallerstein, Michael (1999) "Wage-Setting Institutions and Pay Inequality in Advanced Industrial Societies", *American Journal of Political Science*, vol.43, no.3, pp.649-680.

Scheve, Ken and David Stasavage (2005) "Religion and Preferences for Social Insurance"

- Soskice, David and Torben Iversen (2001) *American Political Science Review*
- Moene, Karl Ove and Michael Wallerstein (2001) *American Political Science Review*
- Roemer, John (1998), "Why the Poor do not Expropriate the Rich: an Old Argument in New Garb", *Journal of Public Economics*, vol.70, pp.399-424.
- Acemoglu, Daron and James Robinson (2005) *Economic Origins of Dictatorship and Democracy*, Cambridge University Press.
- Boix, Carles (2001) "Development, Democracy, and the Public Sector", *American Journal of Political Science*, vol.45, pp.1-17.
- Lindert, Peter (2004) *Growing Public: Volume 1: The Story, Social Spending and Economic Growth Since the Eighteenth Century*, Cambridge University Press.
- Benabou, Roland (1996) "Unequal Societies: Income Distribution and the Social Contract", *American Economic Review*, vol.90, no.1, pp.96-129.

April 4 – Why Doesn't the US Have a European Style Welfare State?

- Alesina, Alberto, Edward Glaeser, and Bruce Sacerdote (2001) "Why Doesn't the United States Have a European Style Welfare State?", *Brookings Papers on Economic Activity*, no.2, pp.187-277
- Scheve, Ken and David Stasavage "The Political Economy of Religion and Social Insurance in the United States: 1910-1939", mimeo LSE and Michigan.
- Bartels, Larry (2005) "Homer Gets a Tax Cut: Inequality and Public Policy in the American Mind", *Perspectives on Politics*, vol.3, no.1, pp.15-31
- Hacker, Jacob and Paul Pierson (2005) "Abandoning the Middle: The Bush Tax Cuts and the Limits of Democratic Control", *Perspectives on Politics*, vol.3, no.1, pp.33-53.
- Berinsky, Adam (2002) "Silent Voices: Social Welfare Policy Opinions and Political Equality in America", *American Journal of Political Science*, vol.46, no.2, pp.276-287.
- Skocpol, Theda (1993) "America's First Social Security System: The Expansion of Benefits for Civil War Veterans", *Political Science Quarterly*, vol.108, no.1, pp.85-116.

April 11 - Explaining Africa's Economic Performance

- Bates, Robert (1981) *Markets and States in Tropical Africa*, University of California Press.
- Van de Walle (2001) *African Economies and the Politics of Permanent Crisis, 1979-1999*, Cambridge University Press.
- Collier, Paul and Jan Willem Gunning (1999) "Explaining African Economic Performance", *Journal of Economic Literature*, vol.37, no.1, pp.64-111.

Herbst, Jeffrey (2000) *States and Power in Africa: Comparative Lessons in Authority and Control*, Princeton University Press, pp.3-31 and 97-136.

Nunn, Nathan (2005) "Slavery, Institutional Development, and Long-run Growth in Africa, 1400-2000", mimeo, University of British Columbia.

Jensen, Nathan and Leonard Wantchekon "Resource Wealth and Political Regimes in Africa", forthcoming, *Comparative Political Studies*.

Humphreys, Macartan and Robert Bates (2005) "Political Institutions and Economic Policies: Lessons From Africa", *British Journal of Political Science*, vol.35, pp.403-428.

April 18 - Latin America

Stokes, Susan (2005) "Perverse Accountability: A Formal Model of Machine Politics with Evidence From Argentina" *American Political Science Review*, vol.99, no.3, pp.315-325.

Coatsworth, John (2005) "Structures, Endowments, and Institutions in the Economic History of Latin America", *Latin American Research Review*, vol.40, no.3, October.

Haber, Stephen (2004) "Political Institutions and Financial Development: Evidence from the Economic Histories of Mexico and the United States", manuscript, Stanford University.

Haber, Stephen (2005) "Development Strategy of Endogenous Process: The Industrialization of Latin America", manuscript, Stanford University.

Engerman, Stanley and Kenneth Sokoloff (2005) "The Evolution of Suffrage Institutions in the New World, *Journal of Economic History*, vol.65, no.4, pp.891-921.

Summerhill, William (2005) "Inglorious Revolution: Political Institutions, Sovereign Debt, and Financial Underdevelopment in Imperial Brazil", unpublished book manuscript, UCLA.

April 25 - Concluding session (or additional topic to be set by the group)