

Economic History IIb: Persistence and Path Dependence

(version of January 3, 2023)

ECON 664 / HIST 623
TTh 5:30–7:00PM
171 Lorch Hall

Instructor:
Hoyt Bleakley
hoytb@umich.edu
215 Lorch Hall

Course Description

This course is a half-semester part of the two-semester economic-history field sequence for economics and history Ph.D. students. This course presents research on the subjects of historical persistence and path dependence. A mix of (i) economic models and econometric studies; (ii) classic and cutting-edge articles; and (iii) micro and macro perspectives.

Readings

You are expected to read *before class* all of the double-starred items listed below. Single-starred items will be discussed in class, and it is suggested that you at least peruse them. The non-starred items listed are for your reference.

Parentheticals following the references contain hyperlinks to downloadable versions of the cited works. The starred readings should all be available on-line from campus.

See the Canvas for the on-line version of the syllabus.

Requirements

There will be one empirical assignment, to be presented and handed-in on March 30. There will also be an exam on April 18th. The assignment will count for 35% of your grade. Class participation will count for 5% of the grade. The exam will count for 60% each of your grade. Interested students (especially those from the History Department) may substitute a paper for the exam, with instructor approval on or before March 28th.

The two halves of the semester will be combined on an equal basis to form the final course grade for ECON664/HIST623.

Outline

I. Introduction (1 class)

Presentation of the syllabus

Discussion of what is economic history? Methods, goals, questions.

** Review the Solow and Ramsey growth models in your favorite macro/growth textbook (or and/see the 1-hour review video on Canvas).

Thought question: your lifetime utility is $u = b^\alpha c^{1-\alpha}$ for c consumption and b bequests to your child. Your child's income is $y = Ab^\theta$, for $0 < \theta < 1$. All the other generations have a similar set-up. For a starting $b_0 > 0$, characterize the intergenerational income process.

II. Intergenerational correlations (2 classes)

** Ferrie, Joseph P. 2005. "History Lessons: The End of American Exceptionalism? Mobility in the United States Since 1850." *Journal of Economic Perspectives*, 19(3): 199-215. (AEA)

Galton, F. (1886). "Regression Towards Mediocrity in Hereditary Stature." *The Journal of the Anthropological Institute of Great Britain and Ireland*, 15, 246-263. doi:10.2307/2841583. (JSTOR)

* Long, Jason, and Joseph Ferrie. 2013. "Intergenerational Occupational Mobility in Great Britain and the United States since 1850." *American Economic Review*, 103(4): 1109-37. (AEA)

** Gregory Clark and Neil Cummins, "What is the True Rate of Social Mobility? Surnames and Social Mobility, England 1800-2012," unpublished manuscript 2012. (author)

* Florencia Torche and Alejandro Corvalan. 2016. "Estimating Intergenerational Mobility With Grouped Data: A Critique of Clark's the Son Also Rises" In Press, *Sociological Methods and Research*. (author)

** Bleakley, Hoyt, and Joseph Ferrie (2013). "Shocking Behavior: Random Wealth in Antebellum Georgia and Human Capital Across Generations," *Quarterly Journal of Economics*, 2016, 131(3): 1455-1495. (OxfordUP)

** Galor, O. and J. Zeira. (1993) "Income Distribution and Macroeconomics," *Review of Economic Studies*, v. 60, January, pp. 35-52. (JSTOR)

III. Inequality in the Midst of Free Land: Opportunities, Endowments, and Institutions (4 classes)

III.A. The Turner Thesis, and its offspring

** Turner, Frederick Jackson. 1893. "The Significance of the Frontier in American History." A paper read at the meeting of the American Historical Association in Chicago, 12 July 1893, during the World Columbian Exposition. (Excerpt by Wisconsin Historical Society)

Gates, Paul W. 1996. *The Jeffersonian Dream: Studies in the History of American Land Policy and Development*. Albuquerque : University of New Mexico Press. (Bogue, Allan G., and Margaret Beattie Bogue, eds.)

** Kenneth L. Sokoloff and Stanley L. Engerman, “Institutions, Factors Endowments, and Paths of Development in the New World,” *Journal of Economic Perspectives*, Vol. 14, No. 3 (Summer, 2000), pp. 217-232. (JSTOR)

* Taylor, Alan M. 1995. Review of ‘Frontier Development: Land, Labour, and Capital on the Wheatlands of Argentina and Canada, 1890-1914, by Jeremy Adelman.’ *The Journal of Economic History*, Vol. 55, No. 3 (Sep., 1995), pp. 729-731. (JSTOR)

** García Jimeno, Camilo, and James A. Robinson. “The Myth of the Frontier,” Chapter 2 in *Understanding Long-Run Economic Growth: Geography, Institutions, and the Knowledge Economy*, D. Costa and N. Lamoreaux, eds., 2009. (NBER)

* Paglayan, Agustina. 2021. “The Non-Democratic Roots of Mass Education: Evidence from 200 Years,” *American Political Science Review* 115(1): 179-198.

Zaw, Htet Thiha. 2022. “The Societal Origins of State Education: Evidence from British Burma.” Working paper. August 24. (SSRN)

** Acemoglu, Daron, and James A. Robinson. 2000. “Political Losers as a Barrier to Economic Development.” *American Economic Review*, 90(2): 126-130. (JSTOR)

** Goldin, Claudia. 1995. “Cliometrics and the Nobel.” *Journal of Economic Perspectives*, 9 (2): 191-208. DOI: 10.1257/jep.9.2.191 (AEA)

** Bleakley, Hoyt and Paul Rhode, 2022. “The Economic Effects of American Slavery: Tests at the Border” Working paper. (Posted on canvas)

Haber, Stephen (1991). Industrial Concentration and the Capital Markets: A Comparative Study of Brazil, Mexico, and the United States, 1830–1930. *The Journal of Economic History*, 51(3), 559-580. doi:10.1017/S0022050700039565 (DOI)

Twomey, Michael J. (1983). “Employment in nineteenth century Indian textiles,” *Explorations in Economic History*, Volume 20, Issue 1, January, Pages 37-57. (Science Direct)

Rousseau, Peter L. and Richard Sylla. “Emerging Financial Markets And Early US Growth,” *Explorations in Economic History*, 2005, v42(1,Jan), 1-26. (IDEAS)

III.B. Dynamics of inequality at the micro level

** Review the Solow and Ramsey growth models in your favorite macro/growth textbook (or and/see the 1-hour review video on Canvas).

** Bleakley, Hoyt, and Joseph Ferrie (2013). “Up from Poverty? The 1832 Cherokee Land Lottery and the Long-run Distribution of Wealth,” NBER Working Paper 19175, October 2013. (author)

* Atack, Jeremy. 1988. “Tenants and Yeomen in the Nineteenth Century,” *Agricultural History*, 62(3, Summer):6-32. (JSTOR)

* Kearl, J. R.; Pope, Clayne L.; and Wimmer, Larry T. "Household Wealth in a Settlement Economy: Utah, 1850-1870," *Journal of Economic History*, Vol. XL, No. 3 (September, 1980), pp. 477-496. (JSTOR)

** Banerjee, Abhijit V., and Benjamin Moll. 2010. "Why Does Misallocation Persist?" *American Economic Journal: Macroeconomics*, 2(1): 189-206. (AEA)

IV. Geography: Conditions and Coordinations (3 classes)

** David, P. A. (1985). "Clio and the Economics of QWERTY." *American Economic Review*. May 75 (2), pp. 332-337. (JSTOR)

** Liebowitz, S. J. and Stephen E. Margolis (1990). "The Fable of the Keys." *The Journal of Law & Economics*. Vol. 33, No. 1 (Apr., 1990), pp. 1-25. (JSTOR)

Jacobs, Jane, *The Economy of Cities*, Random House: New York. 1969, ch 4.

Semple, Ellen Churchill, *American History and Its Geographic Conditions* (Boston: Houghton, Mifflin, 1903). (Google books)

Phillips, U. B. (1905). "Transportation in the ante-bellum South: An economic analysis." *Quarterly Journal of Economics*. 19 (3), 434-451.

** Davis, D. and D. Weinstein (2002). "Bones, bombs, and break points: The geography of economic activity." *American Economic Review*. 92 (5), 1269-1289.

** Bleakley, Hoyt and Jeffrey Lin (2012). "Portage and Path Dependence," *Quarterly Journal of Economics*, May, 127:587-644. (Publisher)

* Villarreal, Carlos (2015). "Where the Other Half Lives: Evidence on the Origin and Persistence of Poor Neighborhoods from New York City 1830-2012." (Working paper.)

Glaeser, E. L. and J. Gyourko (2005). "Urban Decline and Durable Housing." *Journal of Political Economy*. April 113 (2), 345-375.

Klein, Alexander, and Nicholas Crafts. "Making sense of the manufacturing belt: determinants of U.S. industrial location, 1880-1920." *J Econ Geogr* (2012) 12 (4): 775-807. (publisher)

David, Paul A.. "Transport Innovation and Economic Growth: Professor Fogel on and off the Rails." *The Economic History Review*, Vol. 22, No. 3 (Dec., 1969), pp. 506-525. (JSTOR)

Krugman, P. (1991a). "History versus expectations." *Quarterly Journal of Economics*. 106 (2), 651-667.

Rappaport, J. and J. D. Sachs (2003). "The United States as a coastal nation." *Journal of Economic Growth*. 8, 5-46.

* Rauch, J. E. (1993). "Does history matter only when it matters little? The case of city-industry location." *Quarterly Journal of Economics*. August 108 (3), 843-867.

Hornbeck, R., and Keniston, D., 2017, "Creative Destruction: Barriers to Urban Growth and the Great Boston Fire of 1872", *American Economic Review*, 107(6), pp. 1-35

James Siodla, 2015. "Razing San Francisco: The 1906 disaster as a natural experiment in urban redevelopment," *Journal of Urban Economics*, Volume 89, Pages 48-61, ISSN 0094-1190. (Journal)

Klein, Alexander, and Nicholas Crafts. "Making sense of the manufacturing belt: determinants of U.S. industrial location, 1880–1920." *J Econ Geogr* (2012) 12 (4): 775-807. (publisher)

* Cain, Louis P. (2003). "From Big Shoulders to Big Macs." *American Behavioral Scientist*, October 2003 vol. 47 no. 2 168-186. (Sage)

Tentative Schedule:

March	7	I	Intro
	9	II	Intergenerational
	14		"
	16		"
	21	III	Free Soil etc.
	23		"
	28		"
	30		"
April	4		[presentations]
	6	IV	Geography
	11		"
	13		"
	18	EXAM 2	EXAM