

Historical Political Economy

3rd Term, Academic Year 2023-2024

Instructor: Dr. Felix Schaff (EUI ECO & SPS)

Credits: 10

Dates, Rooms, and Times:

2 April 2024, 10:30-12:00, 14:30-19:00, Seminar Room 3 (Badia Fiesolana)

3 April 2024, 9:30-12:00, 13:30-16:30, Seminar Room 3 (Badia Fiesolana)

Note that **registrations close on 19 March 2024.**

Overview

Historical Political Economy applies the tools of economics and political sciences to historical inquiry. This 10-hour course will start with an introduction to this discipline, and then survey the literature on four of its major topics:

1. “Great and Little Divergences” in Living Standards: Around the year 1500 Europe started to grow economically more rapidly compared to China (Great Divergence), after about 2000 years of Chinese economic superiority. Within Europe, the North-West started to grow considerably faster than the rest (Little Divergence) at about the same time. These macro-divergences and their causes have been researched extensively in the last 20 years. The insights will frame the rest of the course.
2. The Economic Consequences of the Black Death: In 1348 the Black Death epidemic killed about 50 percent of the European population. This was a major shock to the labour market and the institutional system. The economic and political consequences were profound and long-lasting: wage growth and technological innovation, but also the return of serfdom in some parts of Europe and a reshuffling of its economic geography.
3. The Protestant Reformation and Religiosity: The contrast between Catholicism and Protestantism continues to be one of the principal cultural dividing lines within Europe. However, the confessional split triggered by Martin Luther’s critique of the Old Church was not just an ideological shift but also had profound consequences for the political economy in Europe. Moreover, the strength of religiosity might have had important consequences in the transition from the preindustrial to the industrial world.
4. Economic Inequality: Inequality is connected to the distribution of political power, has the potential to destabilise societies and can have profound effects on economic development. In Europe, the recorded historical peak was probably around the year 1914. But recent research has shown that about three quarters of the inequality growth that led to this inequality maximum happened between the years 1500 and 1800. This part of the course will investigate these roots of inequality.

Requirements

Requirements for credits: attendance, active participation, one 15-minute presentation (individually or in groups, following guidelines below) of one of the key readings of the course and kick-off of class discussion of the paper.

Programme (indicative):

April 2nd: Seminar Room 3

- 10:30-12:00: Lecture 1 (part I): “Great and Little Divergences” in Living Standards
- 12:00-14:30: Lunch break
- 14:00-15:00: Lecture 1 (part II), Paper presentation & class discussion
- 15:00-17:00: Lecture 2: The Economic Consequences of the Black Death
- 17:00-17:30: Coffee break
- 17:30-18:00: Paper presentation & class discussion
- 18-19: “Office hour”; discussion of researchers’ questions and projects if need be (optional)

April 3rd: Seminar Room 3

- 9:30-11:30: Lecture 3: The Protestant Reformation and Religiosity
- 11:30-12: Paper presentation & class discussion
- 12-13:30: Lunch break
- 13:30-15:30: Lecture 4: Economic Inequality
- 15:30-16: Paper presentation & class discussion
- 16-16:30: Conclusion

Instructions for Presentations:

Every researcher will deliver either individually or in groups (depending on the number of sign-ups) a 15-minute paper presentation. In case of groups, everybody has to deliver part of the presentation, and all group members should be prepared to answer questions. The presentation will kick-off the following class-discussion. Circa 2 weeks before the workshop researchers will choose in which of the four sessions of the course they want to present the respective discussion paper (marked with ** below).

Each presentation should be structured to respond to the following questions:

1. What is the research question?

2. What is at stake (i.e. why do we care, what is the wider social-sciences debate addressed by the paper, and what is the connection to the overarching topic of the respective class)?
3. What data have been used for constructing the main Ys and Xs of the analysis and from which sources do the data come (it will almost certainly be necessary to dig into the online Appendix of the paper to find satisfying answers)?
4. What is the research design, and what evidence is provided that the main identifying assumptions (if any) of the design are fulfilled?
5. What are the key findings and are they plausible?
6. Implications, thoughts and criticism?

Points 3, 4 and 5 should be the main focus of your presentation. Presentation slides including all group members' names have to be sent to the lecturer after the class.

Readings:

To get the most out of the course, participants should have a solid working knowledge of applied econometrics. If you feel the need to refresh your knowledge, the following two texts are recommended:

- Angrist, J., Pischke, J.S., 2009. *Mostly Harmless Econometrics*. Princeton University Press, Princeton.
- Cunningham, S., 2021. *Causal Inference: The Mixtape*. Yale University Press, New Haven.

Participants should be willing to read and refresh their historical background knowledge. Mandatory texts are marked with one asterisk, the paper for the class discussion (super mandatory) by two asterisks. Texts without asterisk are not mandatory. Of these read as much as is useful for your needs and interests.

Lecture 1: “Great and Little Divergences” in Living Standards

- ** Jha, S., 2015. Financial Asset Holdings and Political Attitudes: Evidence from Revolutionary England. *Quarterly Journal of Economics* 130, 1485–1545.
- *Acemoglu, D., Johnson, S., Robinson, J.A., 2005. The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth. *American Economic Review* 95, 546–579.
- *Ogilvie, S., Carus, A., 2014. Institutions and economic growth in historical perspective, in: Durlauf, S., Aghion, P. (Eds.), *Handbook of Economic Growth*. Vol. 2a. Elsevier, Amsterdam, pp. 403–513.
- Allen, R.C., 2001. The Great Divergence in European Wages and Prices from the Middle Ages to the First World War. *Explorations in Economic History* 38, 411–447.
- Broadberry, S., Guan, H., Daokui Li, D., 2018. China, Europe, and the Great Divergence: A Study in Historical National Accounting, 980–1850. *Journal of Economic History* 78, 955–1000.
- de la Croix, D., Doepke, M., Mokyr, J., 2018. Clans, Guilds, and Markets: Apprenticeship Institutions and Growth in the Preindustrial Economy. *Quarterly Journal of Economics* 133, 1–70.
- De Pleijt, A.M., van Zanden, J.L., 2016. Accounting for the Little Divergence. What drove economic growth in pre-industrial Europe, 1300-1800. *European Review of Economic History* 20, 387–409.

- Diamond, J., 1999. *Guns, Germs and Steel: The Fate of Human Societies*. W.W. Norton Co., New York.
- Fouquet, R., Broadberry, S., 2015. Seven Centuries of European Economic Growth and Decline. *Journal of Economic Perspectives* 29, 227–244.
- Michaels, G., Rauch, F., 2016. Resetting the Urban Network: 117–2012. *Economic Journal* 128, 378–412.
- North, D.C., Weingast, B., 1989. Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England. *Journal of Economic History* 49, 803–832.
- Pavlik, J.B., Young, A.T., 2019. Did technology transfer more rapidly East–West than North–South? *European Economic Review* 119, 216–235.

Lecture 2: The Economic Consequences of the Black Death

- **Bosshart, L., Dittmar, J., 2023. Political Competition and Economic Divergence: European Development Before and After the Black Death. Unpublished manuscript London School of Economics.
- *Jedwab, R., Johnson, N., Koyama, M., 2019. Pandemics, Places, and Populations: Evidence from the Black Death. CEPR Discussion Paper 13523.
- *Jedwab, R., Johnson, N., Koyama, M., 2019. Negative shocks and mass persecutions: evidence from the Black Death. *Journal of Economic Growth* 24, 345–395.
- Acemoglu, D., Wolitzki, A., 2011. The Economics of Labor Coercion. *Econometrica* 79, 555–601.
- Ashraf, Q., Galor, O., 2010. Dynamics and Stagnation in the Malthusian Epoch. *American Economic Review* 101, 2003–2041.
- Alfani, G., 2022. Epidemics, inequality and poverty in preindustrial and early industrial times. *Journal of Economic Literature* 60, 3–40.
- Desierto, D., Koyama, M., 2020. The Political Economy of Status Competition: Sump- tuary Laws in Preindustrial Europe. CEPR Discussion Paper 14407.
- Jedwab, R., Johnson, N., Koyama, M., 2022. The Economic Impact of the Black Death. *Journal of Economic Literature* 60, 132–178.
- Klein, A., Ogilvie, S., 2017. Was Domar Right? Serfdom and Factor Endowments in Bohemia. CEPR Discussion Paper 12388.
- Vogler, J., Gingerich, D., 2021. Pandemics and Political Development: The Electoral Legacy of the Black Death in Germany. *World Politics* 73, 393–440.
- Voigtlaender, N., Voth, H.J., 2013. The Three Horsemen of Riches: Plague, War, and Urbanization in Early Modern Europe. *Review of Economic Studies* 80, 774–811.
- Voigtlaender, N., Voth, H.J., 2013. How the West “Invented” Fertility Restriction. *American Economic Review* 103, 2227–2264.

Lecture 3: The Protestant Reformation and Religiosity

- **Schaff, F., 2023. The Unequal Spirit of the Protestant Reformation: Particularism and Wealth Distribution in Early Modern Germany. Unpublished manuscript European University Institute.
- *Dittmar, J., Meisenzahl, R., 2020. Public Goods Institutions, Human Capital and Growth: Evidence from German History. *Review of Economic Studies* 87, 959–996.
- *Squicciarini, M., 2020. Devotion and Development: Religiosity, Education, and Economic Progress in Nineteenth-Century France. *American Economic Review* 110, 3454–3491.

- Becker, S.O., Pascali, L., 2019. Religion, Division of Labor and Conflict: Anti-Semitism in German Regions over 600 Years. *American Economic Review* 109, 1764–1804.
- Becker, S.O., Pfaff, S., Rubin, J., 2016. Causes and consequences of the Protestant Reformation. *Explorations in Economic History* 62, 1–25.
- Becker, S.O., Woessmann, L., 2009. Was Weber Wrong? A Human Capital Theory of Protestant Economic History. *Quarterly Journal of Economics* 124, 531–596.
- Cantoni, D., 2015. The Economic Effects of the Protestant Reformation: Testing the Weber Hypothesis in the German Lands. *Journal of the European Economic Association* 13, 561–598.
- Cantoni, D., Dittmar, J., Yuchtman, N., 2018. Religious Competition and Reallocation: The Political Economy of Secularization in the Protestant Reformation. *Quarterly Journal of Economics* 133, 2037–2096.
- Drelichman, M., Vidal-Robert, J., Voth, H.J., 2021. The long-run effects of religious persecution: Evidence from the Spanish Inquisition. *Proceedings of the National Academy of Sciences* 118, 1–9.
- Kersting, F., Wohnsiedler, I., Wolf, N., 2020. Weber Revisited: The Protestant Ethic and the Spirit of Nationalism. *Journal of Economic History* 80, 710–745.
- Spenkuch, J., 2017. Religion and Work: Micro Evidence from Contemporary Germany. *Journal of Economic Behavior and Organization* 135, 193–214.

Lecture 4: Economic Inequality

- **Belloc, M., Drago, F., Fochesato, M., Galbiati, R., 2022. Wealth Accumulation and Institutional Capture: the Rise of the Medici and Fall of the Florentine Republic. CEPR Press Discussion Paper No. 17456
- *Alvaredo, F., Atkinson, A.B., Piketty, T., Saez, E., 2013. The Top 1 Percent in International and Historical Perspective. *Journal of Economic Perspectives* 27, 3–20.
- *Heldring, L., Robinson, J.A., Vollmer, S., 2022. The Economic Effects of the English Parliamentary Enclosures. NBER working paper 29772.
- Alfani, G., 2021. Economic inequality in preindustrial times: Europe and beyond. *Journal of Economic Literature* 59, 3–44.
- Alfani, G., Gierok, V., Schaff, F., 2022. Economic Inequality in Preindustrial Germany, ca. 1300–1850. *Journal of Economic History* 82, 87–125.
- Barone, G., Mocetti, S., 2021. Intergenerational Mobility in the Very Long Run: Florence 1427–2011. *Review of Economic Studies* 88, 1863–1891.
- Kuznets, S., 1955. Economic Growth and Income Inequality. *American Economic Review* 45, 1–28.
- Piketty, T., 2014. *Capital in the Twenty-First Century*. Belknap Press, Cambridge MA.
- Piketty, T., 2020. *Capital and Ideology*. Belknap Press, Cambridge MA.
- Roine, J., Waldenström, D., 2015. Long-run trends in the distribution of income and wealth, in: Atkinson, A.B., Bourguignon, F. (Eds.), *Handbook of Income Distribution*, Vol. 2. Elsevier, Amsterdam, pp. 469–592.
- Schaff, F., 2023. Warfare and Economic Inequality: Evidence from Preindustrial Germany (c. 1400-1800). *Explorations in Economic History* 89, 101495.
- Schaff, F., 2024. Urban Political Structure and Inequality: Political Economy Lessons from Early Modern German Cities. *Journal of Economic History* forthcoming.
- Scheidel, W., 2017. *The Great Leveler*. Princeton University Press, Princeton.
- van Zanden, J.L., 1995. Tracing the beginning of the Kuznets Curve: Western Europe during the Early Modern Period. *Economic History Review* 48, 643–664.