

Queen's University
ECON 231[†]
Emergence of the Modern Industrial Economy
Fall Term, 2011
Monday 11:30 am - 1:00 pm and Thursday 1:00 pm - 2:30 pm
Dunning Hall Room 14

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Outline:

At least since the middle of the thirteenth century the British economy had been characterized by very slow growth in average income levels, subsistence agriculture, extreme inequality, very high birth and death rates, and technological stagnation. Then, during the mid-eighteenth century, something changed - Britain embarked upon the first industrial revolution. Over the next 100 years Britain was transformed into an urban, industrial, high income, high productivity economy that dominated global markets. Very quickly other European, Asian, and North American nations adopted and adapted the British model, and they too left their Malthusian economies behind. Today there are still many nations striving to emulate these industrialized nations' successes in reducing poverty, inequality, environmental degradation, and disease. The British experience, therefore, has much to teach us about the advantages and dangers associated with modern economic growth.

Broadly speaking, we will be addressing two issues in this course: (1) Why did the first modern, industrial economy emerge in Britain during the eighteenth century? (2) What was the impact of the emergence of this industrial economy on British society?

ECON 231 is not a course in social or normative history. This is an applied economics course. We will review some of the lessons that history teaches us, while simultaneously applying economic and statistical theories and modeling techniques. The prerequisite for this course is ECON 110 (or ECON 111). It is assumed that all students have some previous experience in microeconomics, statistics, and basic calculus. Students with no knowledge of the historical context in which the issues we will be studying occurred should expect to do some extra reading and spend extra time studying for this course.

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Three broadly defined topics will be covered.

- (1) Identifying modern economic growth and describing the world before MEG.
Week 1-4
- (2) Describing the first industrial revolution and Britain's transition to MEG.
Week 5-9
- (3) Assessing the consequences for Britain and the global economy.
Week 10-12

Requirements:

A midterm exam will be written in class (75 minutes) on Monday, October 17 (no exceptions without documented medical excuse).

A term paper (approximately 12 double spaced pages) must be handed in by 4:00 pm on Monday, November 21 (no exceptions without documented medical excuse).

A late penalty of 2% per day (including weekends) will be applied to all papers submitted past the due date. Days end at 4:00 pm.

No papers will be accepted after 4:00 pm on Friday, December 2.

A list of topics is included with this outline.

NOTE: In addition to the hard copy submitted in class on November 21, an electronic copy of all term papers **MUST** be emailed to "econ231papers@econ.queensu.ca" before a grade can be assigned in the course. The papers will be checked for plagiarism.

A final exam (3 hours) will be written during the December exam period (no exceptions other than those approved by the Faculty of Arts and Science).

The midterm exam will be worth 20% of the final grade.

The term paper will be worth 35% of the final grade.

The final exam will be worth 45% of the final grade.

All midterms and term papers will be returned to students with valid student ID cards through the [Department of Economics' Distribution Centre](#) (Dunning Hall Room 334).

Faculty of Arts and Science Statement on Academic Integrity:

Academic integrity is constituted by the five core fundamental values of honesty, trust, fairness, respect and responsibility (see www.academicintegrity.org). These values are central to the building, nurturing and sustaining of an academic community in which all members of the community will thrive. Adherence to the values expressed through academic integrity forms a foundation for the "freedom of inquiry and exchange of ideas" essential to the intellectual life of the University (see the Senate [Report on Principles and Priorities](#)).

Students are responsible for familiarizing themselves with the regulations concerning academic integrity and for ensuring that their assignments conform to the principles of academic integrity. Information on academic integrity is available in the Arts and Science Calendar (see [Academic Regulation 1](#)) and from the instructor of this course.

Departures from academic integrity include plagiarism, use of unauthorized materials, facilitation, forgery and falsification, and are antithetical to the development of an academic community at Queen's. Given the seriousness of these matters, actions which contravene the regulation on academic integrity carry sanctions that can range from a warning or the loss of grades on an assignment to the failure of a course to a requirement to withdraw from the university.

Course Home Page:

Announcements, handouts, slides and course materials will be posted on the ECON 231 home pages. Students should check these pages regularly during term.

Course Home Page:

<http://qed.econ.queensu.ca/pub/faculty/keayi/econ231.html>

Moodle Enrolment Key:

ECON231MEG

Required and Suggested Readings:

All required readings are marked with an (*).

Most of the required readings can be downloaded by Queen's students from online journal archives available through the library's home page. These readings are marked (DL).

Suggested readings are unmarked. There will be no presumption that students have read the suggested material, but these articles provide context and greater depth, and may be very helpful for some students.

Links to all of the required readings are posted on the course home page and hard copies are available on reserve at Stauffer Library.

An Approximate Lecture Schedule and Reading List:

(1) Defining "modern economic growth". (Week 1)

(* Van den Berg (2001), "Economic Growth Throughout History", in Economic Growth and Development, Pg. 35-74.

(2) The Malthusian pre-modern economy. (Week 2)

(* E.A. Wrigley (1983), "Malthus' Model of a Pre-Industrial Economy", in Malthus Past and Present, Pg. 111-24.

(3) Trade, urbanization and Britain's high wage economy. (Week 3)

(* R. Allen (2009), "The High-Wage Economy of Pre-Industrial Britain", in The British Industrial Revolution in Global Perspective, Pg. 25-56.

(* -DL) R. Allen (2003), "Poverty and Progress in Early Modern Europe", Economic History Review, Pg. 403-43.

G. Clark (2007), "Living Standards", in A Farewell to Alms, Pg. 40-70.

R. Steckel (2009), "Heights and Human Welfare: Recent Developments and New Directions", Explorations in Economic History, Pg. 1-23.

(4) Fertility transitions and the link between population and income. (Week 4)

(* -DL) T. De Moor and J.L. Van Zanden (2010), "Girl Power: The European Marriage Pattern and Labour Markets in the North Sea Region in the Late Medieval and Early Modern Period", Economic History Review, Pg. 1-33.

(* -DL) J.A. Goldstone (1986), "The Demographic Revolution in England: A Reexamination", Population Studies, Pg. 5-33.

T. Guinnane (2011), "The Historical Fertility Transition: A Guide for Economists", Journal of Economic Literature, Pg.

R. Lee and M. Anderson (2002), "Malthus in State Space: Macroeconomic-Demographic Relations in English History, 1540-1870", Journal of Population Economics, Pg. 195-220.

(5) Technological change before the steam engine. (Week 5)

(* G. Clark (2007), "Technological Advance", in A Farewell to Alms, Pg. 133-44.

(*) J. Mokyr (1990), "The Renaissance and Beyond: Technology, 1500-1750", in The Lever of Riches: Technological Creativity and Economic Progress, Pg. 57-80.

(6) Institutions and path dependence. (Week 6)

(* -DL) D. North (1994), "Economic Performance through Time", American Economic Review, Pg. 359-68.

(*) G. Clark (2007), "Institutions and Growth", in A Farewell to Alms, Pg. 145-65.

D. Acemoglu, S. Johnson and J. Robinson (2005), "The Rise of Europe: Atlantic Trade, Institutional Change and Economic Growth", American Economic Review, Pg. 546-79.

(7) An agricultural revolution and property rights. (Week 7-8)

(* -DL) D. McCloskey (1972), "The Enclosure of Open Fields: Preface to a Study of its Impact on the Efficiency of English Agriculture in the 18th Century", Journal of Economic History, Pg. 15-35.

(* -DL) R. Allen (1982), "The Efficiency and Distributional Consequences of 18th Century Enclosures", Economic Journal, Pg. 937-53.

(* -DL) G. Clark (1998), "Commons Sense: Common Property Rights, Efficiency and Institutional Change", Journal of Economic History, Pg. 73-102.

D. McCloskey, "The Prudent Peasant: New Findings on Open Fields", Journal of Economic History, 1991, Pg. 343-55.

(8) Biased Technological and Organizational Change. (Week 8-9)

(*) R. Allen (2009), "Why was the Industrial Revolution British?", in The British Industrial Revolution in Global Perspective, Pg. 135-55.

(* -DL) R. Allen (2009), "The Industrial Revolution in Miniature: The Spinning Jenny in Britain, France, and India", Journal of Economic History, Pg. 901-27.

(* -DL) G. Clark (1994), "Factory Discipline", Journal of Economic History, Pg. 128-63.

N. Crafts (2010), "Explaining the First Industrial Revolution: Two Views", European Review of Economic History, Pg. 153-68.

J. Mokyr (2009), "Technological Change in the Industrial Revolution", in The

Enlightened Economy, Pg. 124-44.

(9) Was the industrial revolution really a revolution? (Week 10)

(* -DL) N. Crafts and C.K. Harley (1992), "Output Growth and the British Industrial Revolution: A Restatement of the Crafts-Harley View", Economic History Review, Pg. 703-30.

(* -DL) J. Williamson (1984), "Why Was British Growth so Slow During the Industrial Revolution?", Journal of Economic History, Pg. 687-712.

(* -DL) G. Clark (2001), "Debt, Deficits and Crowding Out: England, 1727-1840", European Review of Economic History, Pg. 403-36.

J. Mokyr (1987), "Has the Industrial Revolution Been Crowded Out: Some Reflections on Crafts and Williamson", Explorations in Economic History, Pg. 293-305.

(10) The consequences (Part 1): Trade costs, globalization and endogenous technological change. (Week 11)

(* -DL) D. North (1968), "Sources of Productivity Change in Ocean Shipping, 1600-1850", Journal of Political Economy, Pg. 953-70.

(* -DL) K. Harley (1988), "Ocean Freight Rates and Productivity, 1740-1913: The Primacy of Mechanical Invention Reaffirmed", Journal of Economic History, Pg. 851-76.

D.S. Jacks, C. Meissner and Dennis Novy (2010), "Trade Costs in the First Wave of Globalization", Explorations in Economic History, Pg. 127-41.

G. Clark (2007), "World Growth Since 1800", in A Farewell to Alms, Pg. 303-27.

(11) The consequences (Part 2): The standard of living debate and the impact on social welfare. (Week 12)

(* -DL) P. Lindert and J. Williamson (1983), "English Workers' Living Standards During the Industrial Revolution", Economic History Review, Pg. 1-25.

(* -DL) J. Williamson (1981), "Urban Disamenities, Dark Satanic Mills and the British Standard of Living Debate", Journal of Economic History, Pg. 75-84.

(* -DL) G. Clark (2005), "The Condition of the Working Class in England, 1209-2004", Journal of Political Economy, Pg. 1307-40.

Potential Term Paper Topics:

- (1) Was the First Industrial Revolution really an Industrious Revolution? Assess the evidence.
- (2) Assess the importance of British human capital accumulation leading up to the First Industrial Revolution.
- (3) Compare British and French agricultural productivity just prior to and during the First Industrial Revolution.
- (4) Discuss the impact that the Poor Laws had on the British economy and society during the First Industrial Revolution.
- (5) Discuss the role played by immigrant labour during the First Industrial Revolution.
- (6) Discuss the contribution British colonialism made to the accumulation of capital during the First Industrial Revolution.
- (7) What role did British firms' separation of ownership from control play in the promotion of British capital accumulation during the seventeenth and eighteenth centuries?
- (8) Analyze the environmental impact of the switch from organic to inorganic fuel sources using both short run and long run perspectives.
- (9) Compare and contrast the domestic economic impact British and German financial institutions had on their respective industrialization experiences.
- (10) Any other topic related to the emergence of modern industrial growth that does not appear on the course syllabus (with the approval of the instructor).