

Economics 763
History of Capitalist Development in Europe and the World Economy
University of Massachusetts, Amherst
Spring 2013

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Office Hours: Mondays, 2-4 p.m. or by appointment

Class Hours: Tuesday, Thursday, 11:15-12:30 p.m.

Course Description: This course examines the emergence and evolution of capitalist forms of economic organization, and their interaction with noncapitalist forms. It begins with the Atlantic economy and the African slave trade, and then covers nineteenth-century industrialization in Britain, France, Germany and Russia. The next readings, which include areas in both the center and periphery of the world economy, are organized by topic: trade and the international division of labor, international finance and foreign investment, imperialism, migration, and changing industrial leadership in the world economy. Special attention is paid to ways in which capitalist development has been uneven across space, time, and economic groups or classes.

The course is an upper-level course and will assume that students are familiar with the material in Economics 703 (Introduction to Economic History) on the transition from feudalism to capitalism.

Readings: All required readings will be available through JSTOR, on electronic reserve at <http://ereserves.library.umass.edu>, or on course reserve at the W. E. B. Du Bois Library, Lower Level. The course password for electronic reserves is hist13.

The following books will be available for purchase at Amherst Books, 8 Main Street, Amherst:

John Thornton, *Africa and Africans in the Making of the Atlantic World, 1400-1800*, 2nd ed. (Cambridge: Cambridge University Press, 1998).

David Landes, *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present*, 2nd ed. (Cambridge: Cambridge University Press, 2003).

All items on this reading list are required, and should be read prior to class. Other references can be provided as a guide to further reading, if students wish to pursue topics in more depth. The following abbreviations for journal titles are used in the reading list:

EHR *Economic History Review*
JEH *Journal of Economic History*
P&P *Past and Present*

If you come across references to events, places, people, and so on in the readings that you don't recognize, there are several standard reference works that can give you a concise summary in a few paragraphs. Three that are useful for this course and available on course reserve at the W. E. B. Du Bois Library are R. R. Palmer, Joel Colton, and Lloyd Kramer, *A History of the Modern World: to 1815* (Boston: McGraw-Hill, 2007); R. R. Palmer and Joel Colton, *A History of the Modern World*, 6th ed. (New York: Knopf, 1983); and A. W. Palmer, *A Dictionary of Modern History, 1789-1945* (Philadelphia: Dufour Editions, 1964).

The main course requirement is a 20-30 page research paper, due by 5 p.m. on Thursday, May 2. Students will submit a topic, outline, and preliminary bibliography for the paper in class on Thursday, February 14 (hard copy submitted in class, electronic copy submitted prior to class). They will make brief presentations summarizing the findings of their papers in a meeting to be held during the final exam period. Students also will write weekly response papers (2 double-spaced pages) on one or more of the week's readings and e-mail them to the electronic mailing list for the course so everyone in the class can read them. The list address is econ-763-01-spr13@courses.umass.edu.

The research paper will be given a letter grade. Late research papers will be graded down one grade increment per day (for example, an "A" will become an "A-" after one day, a "B+" after two days, etc.) The response papers will be graded on a pass/fail basis. They must be posted by 12:00 noon on the day prior to the class at which the readings will be covered in order for you to receive credit for that paper. The first response paper will be due during the week beginning Jan. 28 (by noon on Monday, Jan. 28 if it addresses the Thornton reading, and by noon on Wednesday, Jan. 30 if it addresses the Richardson and/or Morgan readings). Students may omit any two of the thirteen required response papers without penalty. Lively and informed participation in class discussion will be credited to a student's grade.

In reading and taking notes, students may find the following suggestions from "A Note on Notes" (by Professor William N. Parker) helpful:

"Unlike much of what economists read, economic history readings are long and frequently contain large amounts of rather low-grade ore. When reading an assignment, it is usually best to glance through the pages quickly first to get a notion of its scope, style, and structure, and if possible to pick up its underlying argument--if there is one. Then you may wish to read it through at one or two sittings simply to cover the detail of what is being said. Finally, you should take your own, careful reading notes, putting down some selection of the factual material

and the main outline and argument. As you do this, ideas and questions sometimes occur, even great theories of historical change. If you note them down separately, they may form good material for discussion."

Note on academic honesty: Penalties for plagiarism are severe and include University disciplinary action. For the purposes of this course, plagiarism means presenting someone else's work as your own (for example, copying all or part of someone else's paper, buying a pre-written term paper, or having someone else do a paper for you), or using outside sources without proper acknowledgment. Footnotes always must be provided for direct quotations and in cases where you are paraphrasing or summarizing another author's ideas or research. Any material, including material from internet web sites, that is a direct quotation must be put in quotation marks. Students are advised to consult a standard manual such as *A Manual for Writers of Research Papers, Theses, and Dissertations*, 7th ed., by Kate L. Turabian, revised by Wayne C. Booth, Gregory G. Colomb, Joseph M. Williams, and University of Chicago Press editorial staff, or to speak with Professor Heim, if questions arise while working on your papers.

Reading List

Introduction (Jan. 22)

Carol E. Heim, "Capitalism," in *Dictionary of American History*, 3rd ed., vol. 2, *Cabeza to Demography*, ed. Stanley I. Kutler (New York: Charles Scribner's Sons, 2003), pp. 41-47.

THE ATLANTIC ECONOMY AND THE SLAVE TRADE

Africa and the Slave Trade

A. Commerce between Europeans and Africans (Jan. 24)

John Thornton, *Africa and Africans in the Making of the Atlantic World, 1400-1800*, 2nd ed. (Cambridge: Cambridge University Press, 1998), ch. 1-2, "The Birth of an Atlantic World," "The Development of Commerce between Europeans and Africans," pp. 13-71.

B. African Social Structure, Enslavement, and the Slave Trade (Jan. 29)

John Thornton, *Africa and Africans in the Making of the Atlantic World, 1400-1800*, 2nd ed. (Cambridge: Cambridge University Press, 1998), ch. 3-4, 11, "Slavery and African Social Structure," "The Process of Enslavement and the Slave Trade," "Africans in the Eighteenth-Century Atlantic World," pp. 72-125, 304-34.

The Slave Trade and British Industrialization

A. Trade and British Economic Growth (Jan. 31)

David Richardson, "The Slave Trade, Sugar, and British Economic Growth, 1748-1776," in Barbara L. Solow and Stanley L. Engerman, eds., *British Capitalism and Caribbean Slavery: The Legacy of Eric Williams* (Cambridge: Cambridge University Press, 1987), pp. 103-33.

Kenneth Morgan, "Atlantic Trade and British Economic Growth in the Eighteenth Century," in Peter Mathias and John A. Davis, eds., *International Trade and British Economic Growth from the Eighteenth Century to the Present Day* (Oxford: Blackwell, 1996), pp. 14-33.

INDUSTRIAL REVOLUTIONS AND THEIR CONSEQUENCES

Industrialization and the Market

A. Enclosures, Agricultural Transformation, and the Home Market (Feb. 5)

Mark Overton, *Agricultural Revolution in England: The Transformation of the Agrarian Economy, 1500-1850* (Cambridge: Cambridge University Press, 1996), ch. 4-5, "Institutional Change, 1500-1850" and "The Agricultural Revolution Reconsidered," pp. 133-207.

D. E. C. Eversley, "The Home Market and Economic Growth in England, 1750-80," in E. L. Jones and G. E. Mingay, eds., *Land, Labour and Population in the Industrial Revolution* (London: Edward Arnold, 1967), pp. 206-59.

B. The Household, Consumption, and the Industrious Economy (Feb. 7)

Jan de Vries, *The Industrious Revolution: Consumer Behavior and the Household Economy, 1650 to the Present* (Cambridge: Cambridge University Press, 2008), ch. 1, part of ch. 2, ch. 3, "The Transformation of Consumer Desire in the Long Eighteenth Century," "The Origins of the Industrious Revolution," "The Industrious Revolution: The Supply of Labor," pp. 1-39, 71-121.

C. Perspectives on Industrialization and Mass Production (Feb. 12)

David Cannadine, "The Present and the Past in the English Industrial Revolution 1880-1980," *P&P* no. 103 (May 1984), pp. 131-72.

Charles Sabel and Jonathan Zeitlin, "Historical Alternatives to Mass Production: Politics, Markets and Technology in Nineteenth-Century Industrialization," *P&P* no. 108 (Aug. 1985), pp. 133-76.

Topic, Outline, and Preliminary Bibliography for Paper Due in Class (Feb. 14)

The Industrial Revolution in Britain

A. Organizational and Technical Change (Feb. 14)

Paul Mantoux, *The Industrial Revolution in the Eighteenth Century* (1st Eng. ed., 1928; rpt. of rev. 1961 ed., Chicago: University of Chicago Press, 1983), "Industry and its Evolution," pp. 47-90.

David Landes, *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present*, 2nd. ed. (Cambridge: Cambridge University Press, 2003), ch. 2, "The Industrial Revolution in Britain," pp. 41-123.

B. Why Britain? (Feb. 21)

In-Class Viewing of BBC4 Documentary, "The Children Who Built Victorian Britain," presented by Jane Humphries, first broadcast Feb. 1, 2011.

Robert C. Allen, *The British Industrial Revolution in Global Perspective* (Cambridge: Cambridge University Press, 2009), ch. 1, "The Industrial Revolution and the Pre-Industrial Economy," pp. 1-22.

Jane Humphries, "The Lure of Aggregates and the Pitfalls of the Patriarchal Perspective: A Critique of the High Wage Economy Interpretation of the British Industrial Revolution," *EHR*, Early View, article published online, Aug. 9, 2012, pp. 1-22.

Economy and Society during Industrialization

A. War, Government Spending, and Financial Markets in Britain (Feb. 26)

Jeffrey G. Williamson, "Why Was British Growth So Slow During the Industrial Revolution?" *JEH* 44 (Sept. 1984), pp. 687-712.

Carol E. Heim and Philip Mirowski, "Interest Rates and Crowding-Out During Britain's Industrial Revolution," *JEH* 47 (Mar. 1987), pp. 117-39.

Moshe Buchinsky and Ben Polak, "The Emergence of a National Capital Market in England, 1710-1880," *JEH* 53 (Mar. 1993), pp. 1-24.

L. S. Pressnell, *Country Banking in the Industrial Revolution* (Oxford: Clarendon Press, 1956), ch. 10, "The Finance of Industry," pp. 322-43 (recommended).

B. Industrialization, the Standard of Living, and Working-Class Households (Feb. 28)

Robert C. Allen, Jean-Pascal Bassino, Debin Ma, Christine Moll-Murata and Jan Luiten Van Zanden, "Wages, Prices, and Living Standards in China, 1738–1925: In Comparison with Europe, Japan, and India," *EHR* 64(s1) (Feb. 2011), pp. 8-38.

Jane Humphries, *Childhood and Child Labour in the British Industrial Revolution* (Cambridge: Cambridge University Press, 2010), ch. 4, "Household Economy," pp. 84-124.

Industrialization in Follower Countries

A. The Gerschenkron Thesis (Mar. 5)

Alexander Gerschenkron, *Economic Backwardness in Historical Perspective* (1962; New York: Belknap Press of Harvard University Press, 1965), pp. 5-30.

David Landes, *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present*, 2nd. ed. (Cambridge: Cambridge University Press, 2003), ch. 3-4, "Continental Emulation" and "Closing the Gap," pp. 124-230.

France

A. The French Revolution and the French Economy (Mar. 7)

William H. Sewell, Jr., *Work and Revolution in France: The Language of Labor from the Old Regime to 1848* (Cambridge: Cambridge University Press, 1980), ch. 6, "A Revolution in Property," pp. 114-42.

Jean-Laurent Rosenthal, "The Development of Irrigation in Provence, 1700-1860: The French Revolution and Economic Growth," *JEH* 50 (Sept. 1990), pp. 615-38.

B. French Economic Growth and Industrialization (Mar. 12)

Philip T. Hoffman, *Growth in a Traditional Society: The French Countryside, 1450-1815* (Princeton: Princeton University Press, 1996), ch. 5-6, "Explaining Productivity in a Traditional Economy," and "Conclusion," pp. 143-205.

Tom Kemp, *Industrialization in Nineteenth-Century Europe* (London: Longman, 1985), ch. 3, "French Economic Development--A Paradox?" pp. 49-77.

Germany

A. German Industrialization and the Role of Banks (Mar. 14)

Alan S. Milward and S. B. Saul, *The Economic Development of Continental Europe, 1780-1870* (London: Allen & Unwin, 1973), ch. 6, "The Economic Development of Germany 1815-70," pp. 365-431.

Jeremy Edwards and Sheilagh Ogilvie, "Universal Banks and German Industrialization: A Reappraisal," *EHR* 49 (Aug. 1996), pp. 427-46.

B. Bureaucracy, the Large-Scale Firm, and Cartels (Mar. 26)

Jürgen Kocka, "Capitalism and Bureaucracy in German Industrialization Before 1914," *EHR*, 2nd ser., 34 (Aug. 1981), pp. 453-68.

Steven Webb, "Tariffs, Cartels, Technology, and Growth in the German Steel Industry, 1879 to 1914," *JEH* 40 (June 1980), pp. 309-29.

Russia

A. Agriculture and the Home Market (Mar. 28)

Alexander Gerschenkron, "Agrarian Policies and Industrialization, Russia 1861-1917," in H. J. Habakkuk and M. Postan, eds., *The Cambridge Economic History of Europe*, vol. 6, pt. 2 (Cambridge: Cambridge University Press, 1965), ch. 8, pp. 706-800.

Boris Mironov, "The Modernization of Russia and the Well-Being of the Population," in Boris Mironov; Gregory L. Freeze, ed., *The Standard of Living and Revolutions in Russia, 1700-1917* (Abington, U.K: Routledge, 2012), ch. 10, pp. 384-454.

B. The State, Foreign Investment, and Industrialization (Apr. 2)

Theodore H. Von Laue, *Sergei Witte and the Industrialization of Russia* (New York: Columbia University Press, 1963), ch. 3, "The Witte System," pp. 71-119.

P. Gatrell, "Industrial Expansion in Tsarist Russia, 1908-14," *EHR*, 2nd ser., 35 (Feb. 1982), pp. 99-110.

THE NINETEENTH-CENTURY WORLD ECONOMY

Trade and the International Division of Labor

A. Center and Periphery in the World Economy (Apr. 4)

W. Arthur Lewis, *The Evolution of the International Economic Order* (Princeton: Princeton University Press, 1978), ch. 1-4, 10, pp. 3-25, 67-75.

Ha-Joon Chang, "Kicking Away the Ladder – Globalisation and Economic Development in Historical Perspective," in Jonathan Michie, ed., *The Handbook of Globalisation* (Cheltenham, U.K.: Edward Elgar, 2003), pp. 385-394.

B. Trade and Commercial Policy (Apr. 9)

Kevin H. O'Rourke, "From Empire to Europe: Britain in the World Economy," in Roderick Floud, Paul Johnson, and Jane Humphries, eds., *The Cambridge Economic History of Modern Britain* (4th edn., forthcoming), manuscript pp. 1-43.

Sidney Pollard, *Peaceful Conquest: The Industrialization of Europe 1760-1970* (Oxford: Oxford University Press, 1981), ch. 7, "The Rise of Neo-Mercantilism 1870s to 1914," pp. 252-77.

International Finance, Foreign Investment, and Imperialism

A. The International Monetary System and the Gold Standard (Apr. 11)

Barry Eichengreen, *Globalizing Capital: A History of the International Monetary System* (Princeton: Princeton University Press, 1996), ch. 2, "The Gold Standard," pp. 7-44.

Marcello de Cecco, *Money and Empire: The International Gold Standard, 1890-1914* (Oxford: Blackwell, 1974), ch. 4, 6, "Indian Monetary Vicissitudes--An Interlude" and "The International Financial System, 1890-1914," pp. 62-75, 103-26.

B. Patterns of Foreign Investment (Apr. 16)

Michael Edelstein, "Foreign Investment, Accumulation and Empire, 1860-1914," in Roderick Floud and Paul Johnson, eds., *The Cambridge Economic History of Modern Britain*, vol. II: *Economic Maturity, 1860-1939* (Cambridge: Cambridge University Press, 2004), pp. 190-226.

Herbert Feis, *Europe: The World's Banker, 1870-1914* (New Haven: Yale University Press, 1930), ch. 2-3, "French Foreign Investment" and "German Foreign Investment," pp. 33-80.

C. Imperialism (Apr. 18)

Anthony Brewer, *Marxist Theories of Imperialism: A Critical Survey*, 2nd ed. (London: Routledge, 1990), ch. 4-6, "Hobson," "Hilferding," and "Bukharin and Lenin," pp. 73-135.

John Darwin, *The Empire Project: The Rise and Fall of the British World-System, 1830-1970* (Cambridge: Cambridge University Press, 2009), ch. 2, "The Octopus Power," pp. 64-111.

Migration, Fluctuations, and Changing Industrial Leadership in the World Economy

A. Migration, Economic Fluctuations, and the Regions of Recent Settlement (Apr. 23)

Timothy J. Hatton and Jeffrey G. Williamson, "International Migration 1850-1939," in Timothy J. Hatton and Jeffrey G. Williamson, eds., *Migration and the International Labor Market, 1850-1939* (London: Routledge, 1994), pp. 3-32.

A. K. Cairncross, *Home and Foreign Investment, 1870-1913* (Cambridge: Cambridge University Press, 1953), ch. 7-8, pp. 187-221.

B. The Relative Decline of Britain and the United States (Apr. 25)

Bernard Elbaum and William Lazonick, eds., *The Decline of the British Economy* (Oxford: Oxford University Press, 1986), ch. 1, "An Institutional Perspective on British Decline," pp. 1-17.

Jeffrey A. Hart, "A Comparative Analysis of the Sources of America's Relative Economic Decline," in Michael A. Bernstein and David E. Adler, eds., *Understanding American Economic Decline* (Cambridge: Cambridge University Press, 1994), pp. 199-239.

Conclusion: Globalization and Reglobalization (Apr. 30)

Ronald Findlay and Kevin H. O'Rourke, *Power and Plenty: Trade, War, and the World Economy in the Second Millennium* (Princeton: Princeton University Press, 2007), ch. 9-10, "Reglobalization: The Late Twentieth Century in Historical Perspective," and "Globalization at the Dawn of the Twenty-First Century," pp. 473-546.

Papers due: Thursday, May 2, 5 p.m. (hard copy and electronic submission)
Students will present brief summaries of their papers at a meeting during the final exam period.