Economics 0329A: Theory and Measurement in Economic History
Professor Amanda Gregg

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Course Meeting Time: Tuesdays and Thursdays, 3:15 pm to 4:30 pm (IN PERSON after March 8)
Location: Hillcrest 103 (The Orchard Room)
Course Website: Canvas

Office Hours: Monday 3:00 – 4:00 pm, Tuesday 11:00 am to noon, Wednesday 2:30 pm – 4:00 pm, Thursday 1:00 pm – 2:00 pm.
Office hours this semester will take place remotely on Zoom, until the weather gets nice, in which case we can meet outside. My office is too small for face-to-face meetings.

Notes: We can also meet by appointment. Monday is my "research day," so I will not schedule appointments for Mondays, and I might be slow to respond to email.

Prerequisites: Econ 0210 and either Econ 255 (Micro Theory) or Econ 0240, or by instructor permission. Econ 0211 or some outside reading (immediately!) is strongly recommended if your Econ 0210 class did not introduce multiple regression.

Course Description and Objectives

This course aims to introduce you to the modern economic historian's toolkit and to teach you the field's standards for scientific writing. Along the way, we will read economic history's "Greatest Hits," amazing journal articles that use a variety of methodologies to answer big questions. These articles teach us about the past in order to inform what we know about how all economies work and reveal the historical roots of modern-day economic phenomena. By the end of this class, you should be able to:

- Understand the assumptions underlying a set of economic history methods
- Design an appropriate methodology to answer a question related to economic history
- Express an economic question, methodology, and set of results efficiently and transparently
- Write historical narratives for intelligent but exhausted economists
- Form polite and systematic critiques of great articles in order to advance a research agenda
- Reflect thoughtfully on the creative process in social science

Textbooks (Available at the College Bookstore)

I would like you to purchase a small number of inexpensive textbooks. Most readings for this course will take the form of scholarly journal articles.

Required: Deirdre N. McCloskey. *Economical Writing*. Third Edition. University of Chicago Press, 2019. ISBN: 978-0-226-44807-7

Optional: William Strunk, Jr. and E.B. White. *The Elements of Style.* Fourth Edition Pearson, 1999. ISBN: 978-0205309023. (*Ahem, you should own this already. Also available in the Davis Library Reference section)*

Final Grade Components

Final Paper (Research Proposal)		15%
Drafts		20%
Statement of Interests	@ 1%	
Research Question	@ 3%	
Literature Review	@ 7%	
1-Page Method Check	@ 1%	
Data & Methodology	@ 8%	
Final Presentation		5%
Peer Referee Reports		5%
Take Home Midterm		20%
Short Reading Response Paper		15%
Class Participation and Attendance		15%
Reading Quizzes		5%

Notes about Assignments

The focus of each class meeting will be an in-depth discussion of the Paper-of-the-Day. Class participation will be critical to keep us afloat. In some class meetings, I plan to give a very brief lecture to provide historical and historiographical context and to clarify points I think are particularly complicated. Then, we will dissect the article as a group.

To encourage consistent reading, before each class meeting, you will either complete a Canvas quiz or post a topic/question for discussion on the Canvas discussion board. Each week's module will clearly indicate which is assigned. I will drop your two (2) lowest reading quizzes, which is generous. Quizzes will be short and easy as long as I am satisfied with the class's level of preparation, and if I am especially satisfied, we can transition to only posting topics/questions. If you have an ADA accommodation, let's meet as soon as possible to discuss how to maximize your comfort during the quizzes.

The reading response assignments are described at the end of the syllabus. I will distribute rubrics as due dates approach. Students have the option to write a second reading response by the end of the semester, in which case the reading response grade will be the average of the grades on the two papers.

The take-home midterm quiz will consist of a few short essays asking you to reflect on methodologies we have discussed from readings. This is an independent assignment. Once the assignment is posted, I will not permit collaboration, and I will not answer questions (unless you suspect the exam has an error).

Participation includes attendance, asking questions, and answering questions. Every student gets two unexcused absences without penalty. **After that, each unexcused absence takes two percentage points off of the final grade.** Perfect attendance without speaking in class earns you at most 50% of the participation grade. I will begin to take attendance after the first week.

Grading

Because this is a difficult advanced economics course, I do not have a set distribution of As, Bs, etc. in mind. This is to your benefit. In assigning grades, my concerns are effort, enthusiasm, demonstrated improvement, and expertise.

Late Work

I encourage students to submit all work on time in order to avoid falling behind. However, given these tough times we are all living through, I am willing to grant extensions to students *who request them ahead of due dates* by sending me an email with a proposed extension. The penalty for assignments submitted late without prior notification will be 25% off per day.

Various Devices

In the past, I have had a strict "no device" rule. Given our circumstances this semester, I am going to allow use of technology, as long as it is not distracting. We may have to revisit the rule if there are problems.

Academic Dishonesty

Students in this class are expected to follow the Honor Code. Consulting notes or outside materials during quizzes is strictly forbidden. Copying or otherwise forwarding someone else's work as your own without attribution is plagiarism. If you have questions about citations or about what constitutes plagiarism, ask me. I will speak with a judicial affairs officer in the case of any suspected violation of the Academic Honesty Policy. The College's Academic Honesty Policy can be consulted here.

ADA Accommodations

Students who have Letters of Accommodation in this class are encouraged to contact me as early in the semester as possible to ensure that such accommodations are implemented in a timely fashion. For those without Letters of Accommodation, assistance is available to eligible students through the Disability Resource Center. Please contact ADA Coordinators Jodi Litchfield and Peter Ploegman in the DRC at ada@middlebury.edu for more information. All discussions will remain confidential.

Scheduling Conflicts

Please notify Professor Gregg ahead of time, with plenty of notice, if you have a scheduling conflict for class. The student will be responsible for all missed work.

Special Notes for the Pandemic

We're all trying our best: This semester, our first priority should be to survive this global pandemic with our physical and mental health intact. I intend to help you through this by introducing you to beautiful ideas, encouraging you to produce work you are proud of, and cutting you some slack when you really need it. In exchange, I humbly ask a similar favor of you all. While I hold myself to very high standards, and while I honestly believe I was put on this earth to teach economic history to liberal arts college students, I am only one person, I am imperfect, and I have never taught during a global pandemic before. Though I have invested a great deal of time and energy in planning this course, things may go wrong or need to be adjusted for reasons I can't predict. I hope we can all be patient with one another.

If you are quarantined, or sick: If you are sick (even if you think it's just the sniffles), please stay home. If you are quarantined, please follow the rules. In either case, I will figure out a way to accommodate you for the class you may miss.

Arguing About Grades

It is my deepest hope that this class will not be the kind in which we argue about grades BUT just in case, I include my usual spiel here:

I sometimes make mistakes. Those mistakes can help or hurt you. You may resubmit papers or exams to me for re-grading with a cover letter attached. I will re-grade the entire paper or exam. Your grade may go up or down after my re-grading. The re-grading will be final.

On a personal note, I really regret those times I argued about grades with professors in college. The cost (however small) to the relationship was never worth the extra points.

Tentative Course Schedule

	Topic 1: Introduction to the Course and Econometrics Review
February 25	Introduction to the course. What is economic history? Learning goals for the semester. Methodologies we will study. Now that you have completed the economics core, what do you think economics is? The meaning of "theory and measurement." The final project. Required (and wonderful!) Reading: Abramitzky, Ran. "Economics and the Modern Economic Historian." *Journal of Economic History* 75.4 (2015): 1240-51. You can also check out the longer NBER version, which has more graphs and some funny figures.
March 2	Introduction to history. Primary and secondary sources. How to find historical data. How to read. The six questions. Beginning regression refresher: The assumptions of OLS, the regression equation, reading regression tables, and OLS in economic history. Required Reading: Skim the following two short articles from the journal *Historical Methods*: (1) Ruggles, Steven, Evan Roberts, Sula Sarkar, and Matthew Sobek. "The North Atlantic Population Project: Progress and Prospects." *Historical Methods* 44.1 (2011): 1-6. (2) Atack, Jeremy and Fred Bateman. "Nineteenth-Century U.S. Industrial Development through the Eyes of the Census of Manufactures: A New Resource for Historical Research." *Historical Methods* 32.4 (1999): 177-88.
March 4	Continued OLS review with a grown-up OLS example. Eric Hilt's paper on early U.S. corporate governance. Required Reading: Hilt, Eric. When did Ownership Separate From Control? Corporate Governance in the Early Nineteenth Century." *Journal of Economic History* 68.3 (2008): 645-83. **Statement of Interests Due Today**
	Topic 2: Getting at Causation: Cross-Country Regressions with Proxies and Instruments
March 9	The measurement problem. Laws as institutions. The law and finance literature and its critiques. Required Reading: Porta, Rafael La, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny. "Law and finance." *Journal of Political Economy* 106.6 (1998): 1113-1155.

	Optional Reading: Guinnane, Timothy, Ron Harris, Naomi R. Lamoreaux, and Jean-Laurent Rosenthal. "Putting the Corporation in its Place." *Enterprise and Society* 8.3 (2007): 687-729.
March 11	Why are some countries rich and some countries poor? The institutions explanation and its measurement problem. Instrumental variables. How do you critique an IV technique fairly? Required Reading: (1) Deeply: Daron Acemoglu, Simon Johnson, and James A. Robinson. "The Colonial Origins of Comparative Economic Development: An Empirical Investigation." *American Economic Review* 91.5 (2001). (2) Skim: Albouy, David Y. "The Colonial Origins of Comparative Development: An Empirical Investigation: Comment." *American Economic Review* 102.6 (2012): 3059-076.
	Topic 3: Quasi-Experimental Designs in Economic History: Difference-in-Difference and Regression Discontinuity
March 16	Intro to difference-in-difference. A "dirty" example. Job market papers. Required Reading: Juhász, Réka. "Temporary Protection and Technology Adoption: Evidence from the Napoleonic Blockade." *American Economic Review* 108.11 (2018): 3339-76. **Statement of the Research Question Due Today** ***Special Note: Scott Cunningham is giving a talk on Directed Acyclic Graphs at 4:00 -5:15 pm today, so we will arrange our class around that. I would like everyone who can to attend his talk. DAGs, for example, provide a nice way to think about endogeneity, the requirements of IV, and other topics relevant to our discussions.***
March 18	A cleaner difference-in-difference using an exogenous border Required Reading: Richardson, Gary, and William Troost. "Monetary intervention mitigated banking panics during the great depression: quasi-experimental evidence from a federal reserve district border, 1929–1933." *Journal of Political Economy* 117.6 (2009): 1031-1073.
March 23	Borders and regression discontinuity. The persistence debate. Required Reading: Dell, Melissa. "The persistent effects of Peru's mining mita." *Econometrica* 78.6 (2010): 1863-1903. **First Reading Response Due Today**

	Topic 4: Analytic Narratives and Applied Theory
March 25	What is an analytic narrative? Game theory in words. The Maghribi Traders Coalition. Required Reading: Greif, Avner. "Contract Enforcement and Economic Institutions in Early Trade: The Maghribi Traders' Coalition." *American Economic Review* 83.3 (1993): 525-48.
March 30	The Greif / Ogilvie Smackdown Required Reading: (1) Deeply: Edwards, Jeremy and Sheilagh Ogilvie. "Contract enforcement, institutions, and social capital: the Maghribi traders reappraised." *Economic History Review* 65.2 (2012): 421-44. (2) Skim: Greif, Avner. "The Maghribi traders: a reappraisal?" *Economic History Review* 65.2 (2012): 445-69. **Take-Home Midterm to Be Posted**
April 1	A breath. An extended discussion of writing in the economics profession. Taking stock: What have we observed so far about good economics writing? Required Reading: Deirdre N. McCloskey. *Economical Writing*. Third Edition. University of Chicago Press, 2019.
April 6	**NO CLASS TODAY: TAKE A BREAK** **Take-Home Midterm Due: Wednesday, April 7 5:00 pm.**
MID-TERM BREAK (No class April 8)	
	Topic 5: Tackling Big Questions with Narrative Evidence
April 13	Uniting evidence from narrative and regressions. Christina Romer's classic paper on the Great Crash and the Great Depression. How does Romer unite documentary evidence with macroeconomic models? Required Reading: Romer, Christina D. "The Great Crash and the Onset of the Great Depression." *Quarterly Journal of Economics* (August 1990): 597-624.
April 15	Using narrative to understand an institution's origins and effects Alston, Lee and Joseph P. Ferrie. "Paternalism and Agricultural Labor Contracts in the U.S. South: Implications for the Growth of the Welfare State." *American Economic Review* 83.4 (1993): 852-76.

	Literature Review + 1 Page Short Description of Proposed Data and Methodological Approach Due Today
April 20	In-Class Research Proposal Discussion. How are things going?
	Topic 6: Constructing Datasets: Matched Census Data and Historical Microdata
April 22	Matching people over long distances and time spans to understand migrant selection and the effects of migration. Required Reading: Abramitzky, Ran, Leah Boustan, Elisa Jácome, and Santiago Perez. "Intergenerational Mobility of Immigrants in the United States over Two Centuries." American Economic Review 111, no. 2 (2021): 580-608. Skim: Bailey, Martha, Connor Cole, Morgan Henderson, and Catherine Massey. "How Well Do Automated Methods Perform in Historical Samples? Evidence from New Ground Truth." NBER Working Paper 24019 (2017). Optional Readings: (1) Abramitzky, Ran, Leah Platt Boustan, and Katherine Eriksson. "A Nation of Immigrants: Assimilation and Economic Outcomes in the Age of Mass Migration." *Journal of Political Economy* 122.3 (2014): 467-506. (2) Abramitzky, Ran, Leah Platt Boustan, and Katherine Eriksson. "Europe's tired, poor, huddled masses: Self-selection and economic outcomes in the age of mass migration." *American Economic Review* 102.5 (2012): 1832-1856. (3) Feigenbaum, James J. "Automated census record linking: A machine learning approach." Mimeo, Harvard University (2016). **Peer Referee Reports on Literature Review Due**
April 27	Commercial Law, Industrial Organization, Adventures in the Russian Archives, and Gregg on the Hot Seat Required Reading: Gregg, Amanda. "Factory Productivity and the Concession System of Incorporation in Late Imperial Russia." *American Economic Review* 110.2 (2020): 401-27. Optional Reading: Gregg, Amanda and Steven Nafziger. "The Births, Lives, and Deaths of Imperial Russian Corporations." Working Paper, 2019. (Latest version posted to Canvas) **Data and Methodology Draft Due Today**

	Topic 7: Macro Models and Structural Methods
April 29	Rethinking the Great Depression with a macro model. Required Reading: Cole, Harold L., and Lee E. Ohanian. "New Deal policies and the persistence of the Great Depression: A general equilibrium analysis." *Journal of Political Economy* 112.4 (2004): 779-816.
May 4	Structural models to solve big, old problems. Dave Donaldson, winner of the John Bates Clark Medal, and his "greatest job market paper of all time." Required Reading: Donaldson, Dave. "Railroads of the Raj: Estimating the impact of transportation infrastructure." *American Economic Review* 108, no. 4-5 (2018): 899-934. Optional Reading: Fogel, Robert W. "A Quantitative Approach to the Study of Railroads in American Economic Growth: A Report of Some Preliminary Findings." *Journal of Economic History* 22.2 (1962): 163-97. **Peer Referee Reports on Methodology Due**
May 6	Student Presentations
May 13	Student Presentations
May 18	Student Presentations
May 20	Student Presentations **Optional Second Reading Response Due Today**

THIS COURSE DOES NOT HAVE A FINAL EXAM

Final Papers Tentatively Due Wednesday, May 26, 11:59 pm

Final Research Paper Assignment

The cornerstone of this course is a research proposal, which consists of **4** parts. Rough drafts of **3 of these parts** will be due throughout the semester.

1. Introduction (Approximately 3-5 pages)

    a. Statement of the biggest question for which your project is relevant.

    b. Statement of your particular research question (**Due Tuesday, March 16; 500 words maximum, about 2 pages**). Present an important question that needs to be researched, i.e. the answer is not immediately obvious to an intelligent reader.

    c. Brief statement of how you will answer the question (data and methodology)

    d. Roadmap of the proposal

2. Literature Review (**Due Thursday, April 15; 1000 words maximum, about 4 pages**).

    A good literature review describes what we know already, how we know it, and what remains to be understood. The literature review should make it clear that, while you stand on the shoulders of giants, the existing research either does not answer your question or does not answer it well. Spell out how you can make an intervention to improve what is known about a topic.

3. Data and Methodological Approach (**Due Tuesday, April 27; 1250 words maximum, about 5 pages**)

    Explain in detail the dataset or source list you plan to use to answer your research question. What information do you need? How will you collect it? Then, explain how you will make use of those sources to answer your question. You methodological approach could be based on econometric methods, theoretical analysis, or narrative analysis. Justify why you have chosen this methodology: what do you hope to learn?

4. Possible pitfalls and how you might address them (Approximately 1-2 pages)

    There is no such thing as a perfect research methodology. What might yours miss? Is there anything you could do to improve your final product?

As outlined above, you will turn in parts 1 (partially) through 3 over the course of the semester for my comments and a first grade. At the end of the semester, I will grade the final product as a whole.

No part of the paper, when turned in, is a contract. I expect that many of you will tweak your questions, relevant literature, and data as you learn more about the methodological approach you would like to use.

The complete paper is due on **Wednesday, May 26, at 11:59 pm**. Final Word Limit: 4000[1] (This may require you to shorten some sections).

[1] Does this seem short? A few Nobel prize-winning articles are shorter. Cut the fat and focus on what is important. See, for example, George A. Akerlof. "The Market for "Lemons": Quality Uncertainty and the Market Mechanism. *Quarterly Journal of Economics* 84.3 (1970): 488-500 (That's *12 pages*).

3 Kinds of Economic History Research Questions

1. Why did [Blank] look the way it did in the past? How did it work? From this, what can we learn about all economies / about humanity?

2. What are the historical roots of an economic phenomenon or institution we observe today? How did those historical roots determine the evolution of that phenomenon or institution over time?

3. Suppose the best example of a policy or other economic shock is found in the past. What were the effects of that shock as observed in that historical example? What does that example tell us about the effects of that shock in any context?

The Middlebury College Economics Department Honors Thesis Program

Many of you may find this course to be a helpful bridge to writing an honors thesis. I think writing a thesis is a great way to show what you have learned in the economics major, and I encourage you to consider it. The honors thesis program at Middlebury is conducted in the context of a two-term course (one semester plus one J-term), which has its own instructor. Though I can help you construct a topic and serve as an outside "consultant," the instructor of the thesis program approves the topic and serves as the primary advisor for the thesis. When thesis instructors for next year are announced this spring, we can discuss individually whose seminar might be the best fit for your research, and I would be happy to help you navigate a conversation with the instructor.

The Reading Response Assignments

During this course, you will complete one (optionally, two) short reading response paper. This assignment has two goals. First, I would like each of you to engage deeply with an article from the course. The assignment asks you to describe and critique an article's methods and to suggest improvements that might be possible with more data or additional tests. Second, this is a CW course, so rather than assigning problem sets, I assign more writing.

For the first paper, choose one (1) article assigned to be read by March 23. For the (optional) second paper, choose one (1) article assigned to be read on or after March 23.

For the reading response papers, complete the following two tasks:

1. Explain (briefly) the article's question, methodology, and conclusion. Identify the article's assumptions and assess their validity.

2. Suggest how the article could be improved by leveraging additional data, statistical tests, or other methods.

Page Limits: 750 words, double-spaced, 1-inch margins, no funny business.

Anonymous Grading: I will grade these blind. Submit your paper with a cover page that has your name on it that I can tear off before grading (i.e., watch double-sided printing). Do not include your name anywhere in the text.

Due Dates: March 23 and May 20 at the beginning of class.

Peer Referee Reports

I am asking each of you to read and review the work of a randomly assigned partner when you turn in the literature review and methodology sections of the paper. When your classmates get work back, they will have feedback from me and from an anonymous classmate.

The referee report assignment is to help each of you learn to provide kind, professional, constructive criticism. You will have to do this throughout your careers.

Your referee report should have 3 parts:

1. A brief summary of the author's work
2. Major comments
3. Minor comments (typos, writing suggestions, and other things that are easy to fix)

Tips:

- The report should be written in the third person, not the second person. Imagine you are writing a letter to the editor rather than to the author. This helps to soften your critique. For example, you might write: "The author proposes a difference in difference methodology" rather than "YOU say YOU will do this but YOU are wrong!" The use of the second person invokes a feeling of finger pointing.
- Never say that the author has "failed" to do something. They have not "failed" because they are not "done." They produced the beginnings of a paper! Creative work is exhausting and terrifying. Respect your classmates' efforts.
- Watch negative adjectives and overly general negative statements. Vagueness is the enemy of kindness. What has the author actually done? What, exactly, is missing? How should it be improved? Provide a path forward rather than a harsh pronouncement about what you see now.
- It is of course expected that you will provide your classmates feedback on the writing as well as the content. The warning above still applies. Help your classmate understand what can be improved about the writing. Suggest concrete edits.
- Do not risk identifying yourself by including personal anecdotes or other information.

Format: 2-pages double-spaced, maximum. Format as you wish, i.e. one page single-spaced is also acceptable.

Graded on a check (5/5), check-minus (4/5) scale, where the default grade is a check.

To turn in: Email me a Word document that does not contain any identifying information. I will immediately send the report, without any edits, to the author whose work you have reviewed.