

**Economics 703**  
**Introduction to Economic History**  
University of Massachusetts, Amherst  
Fall 2011

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**Class Hours:** Tuesday, Thursday, 11:15-12:30, Thompson 919

**Office Hours:** Monday, 1:30-2:30 p.m., 115 Gordon Hall

Thursday, 1:00-2:00 p.m., 906 Thompson Hall

or by appointment

**Course Description:** This course introduces broad themes in economic history by exploring a small number of topics in depth. Topics include the transition from feudalism to capitalism; U.S. slavery, the emergence of wage labor, and the southern regional economy; the rise of the large-scale firm; and instability, depression, and structural change in the twentieth-century world economy. Particular emphasis will be placed on the development of economic and political institutions.

The course format will be a combination of lecture and discussion. Ordinarily one class per week will be devoted to discussion.

**Readings:** When possible, required course readings have been placed on electronic reserve at the W. E. B. Du Bois Library and are available at <http://ereserves.library.umass.edu>. The course password for electronic reserves is "historyf11."

Course readings that are not accessible electronically are on print reserve (course reserve) at the W. E. B. Du Bois Library, Lower Level.

Required readings are marked with an asterisk (\*).

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

Karl Polanyi, *The Great Transformation*

Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy*

Roger L. Ransom and Richard Sutch, *One Kind of Freedom: The Economic Consequences of Emancipation*

Gavin Wright, *Old South, New South: Revolutions in the Southern Economy since the Civil War*

Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business*

Naomi Lamoreaux, *The Great Merger Movement in American Business, 1895-1904*  
Alice Amsden, *Asia's Next Giant: South Korea and Late Industrialization*  
Peter Temin, *Did Monetary Forces Cause the Great Depression?*

**Requirements and Grading:** The course requirements are an in-class midterm exam, a take-home final exam, 2-page weekly response papers on the class readings, and contribution to class discussions. The midterm exam will be based in part upon study questions distributed in advance.

Students will e-mail their response papers to econ-703-01-fal11@courses.umass.edu. The response papers will be graded on a pass/fail basis. They must be sent prior to the lecture on the relevant readings in order for you to receive credit for that paper, except for the first response paper (on Polanyi), which is due no later than 11:15 a.m. on Monday, Sept. 12. A list of due dates for the response papers is provided on the last page of this syllabus. Students may omit any two of the twelve response papers without penalty. Each student will be responsible for proposing questions for discussion for one discussion class.

Grading will be based approximately as follows:

|                                      |     |
|--------------------------------------|-----|
| Class Discussion and Response Papers | 35% |
| Midterm                              | 25% |
| Final exam                           | 40% |

## READING ASSIGNMENTS

### **Introduction: Theory, History, and Economic Boundaries (Sept. 6)**

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

### **I. The Transition from Feudalism to Capitalism (Sept. 8-27)**

#### **Sept. 8-13**

\*Karl Polanyi, *The Great Transformation* (1944; Boston, 2001), ch. 3-7, 11, 14-16, pp. 35-89, 136-40, 171-209.

#### **Sept. 15-20**

\*Paul Sweezy et al., *The Transition from Feudalism to Capitalism* (1976; London, 1978), pp. 1-117.

**Sept. 22-27**

\*Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* (Princeton, N.J., 2000), Introduction, pp. 3-25, ch. 1, pp. 31-68, ch. 5-6, pp. 211-297.

Recommended:

Eric Hobsbawm, "The General Crisis of the European Economy in the 17th Century," Pt. I and II, *Past and Present*, no. 5 and 6 (May and Nov. 1954), pp. 33-53 and 44-65.

Karl Marx, *Capital*, vol. III (1894; New York, 1967), ch. 20, "Historical Facts about Merchant's Capital," pp. 323-37.

Robert Brenner, "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism," *New Left Review*, no. 104 (July-Aug. 1977), pp. 25-92.

Eric Wolf, *Europe and the People Without History* (Berkeley, 1982).

Perry Anderson, *Lineages of the Absolutist State* (1974; London, 1979), including the "Two Notes" on "Japanese Feudalism" and "The Asiatic Mode of Production."

Asia in the Great Divergence, Special Issue of the *Economic History Review*, 64 (S1) (Feb. 2011), pp. 1-184.

Donald Worster, *Rivers of Empire: Water, Aridity, and the Growth of the American West* (New York, 1985).

**II. U.S. Slavery, the Emergence of Wage Labor, and the Southern Regional Economy (Sept. 29-Oct. 18)****Sept. 29**

\*Barrington Moore, Jr., *Social Origins of Dictatorship and Democracy* (1966; Boston, 1993), ch. 1, 3, pp. 3-39, 111-55.

**Oct. 4-6**

\*Roger L. Ransom and Richard Sutch, *One Kind of Freedom: The Economic Consequences of Emancipation*, 2nd ed. (Cambridge, Eng., 2001), Preface to the New Edition, pp. xvii-xxi, ch. 4-9, pp. 56-199.

**Oct. 13-18**

\*Gavin Wright, *Old South, New South: Revolutions in the Southern Economy Since the Civil War* (1986; Baton Rouge, 1996), ch. 3, 6-8, pp. 51-80, 156-274.

Recommended:

David Brion Davis, *Inhuman Bondage: The Rise and Fall of Slavery in the New World* (Oxford, 2006).

Eugene Genovese, *The Political Economy of Slavery: Studies in the Economy and Society of the Slave South* (New York, 1965).

Gavin Wright, *The Political Economy of the Cotton South* (New York, 1978).

Eric Foner, *Reconstruction: America's Unfinished Revolution, 1863-1877* (New York, 1988).

Roger L. Ransom and Richard Sutch, "One Kind of Freedom: Reconsidered (and Turbo Charged)," *Explorations in Economic History*, 38 (Jan. 2001), pp. 6-39.

Gavin Wright, *Slavery and American Economic Development* (Baton Rouge, 2006).

Pranab Bardhan and Ashok Rudra, "Interlinkage of Land, Labour, and Credit Relations: An Analysis of Village Survey Data in East India," *Economic and Political Weekly*, 13 (Feb. 1978), pp. 367-84.

## **IN-CLASS MIDTERM EXAM (Thursday, Oct. 20)**

### **III. The Rise of the Large-Scale Firm (Oct. 25-Nov. 15)**

#### **Oct. 25-27**

\*Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass., 1977), ch. 8-10, pp. 240-344.

\*Alfred Chandler, "The Emergence of Managerial Capitalism," *Business History Review*, 58 (Winter 1984), pp. 473-503.

#### **Nov. 1**

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

\*Naomi R. Lamoreaux, Daniel M. G. Raff, and Peter Temin, "Beyond Markets and Hierarchies: Toward a New Synthesis of American Business History," *American Historical Review*, 108 (April 2003), pp. 404-433.

**Nov. 3-8**

\*Naomi R. Lamoreaux, *The Great Merger Movement in American Business, 1895-1904* (Cambridge, Eng., 1985), ch. 3-4, pp. 46-117; in ch. 5, pp. 138-58; ch. 6, pp. 159-86.

**Nov. 10-15**

\*Albert Fishlow, "Developing Countries and the Modern Firm," *Business History Review*, 64 (Winter 1990), pp. 726-29.

\*Alice Amsden, *Asia's Next Giant: South Korea and Late Industrialization* (New York, 1989), ch. 1, 4-6, pp. 3-23, 79-155.

Recommended:

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

Alfred D. Chandler, Jr., *Scale and Scope: The Dynamics of Industrial Capitalism* (Cambridge, Mass., 1990).

Charles W. McCurdy, "American Law and the Marketing Structure of the Large Corporation, 1875-1890," *Journal of Economic History*, 38 (Sept. 1978), pp. 631-649.

Gabriel Kolko, *The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916* (New York, 1965).

Charles F. Sabel and Jonathan Zeitlin, eds. *World of Possibilities: Flexibility and Mass Production* (Cambridge, Eng., 1997).

Philip Scranton, *Endless Novelty: Specialty Production and American Industrialization, 1865-1925* (Princeton, 1997).

Doreen Massey, *Spatial Divisions of Labour: Social Structures and the Geography of Production* (London, 1984).

**IV. Instability, Depression, and Regimes of Accumulation in the Twentieth-Century World Economy (Nov. 17-Dec. 8)**

**Nov. 17-22**

\*Peter Temin, *Did Monetary Forces Cause the Great Depression?* (New York, 1976), ch. 3-4, pp. 62-137.

### **Dec. 1-3**

\*Michael A. Bernstein, *The Great Depression: Delayed Recovery and Economic Change in America, 1929-1939* (Cambridge, Eng., 1987), ch. 1, pp. 21-47.

\*Charles P. Kindleberger, *The World in Depression, 1929-1939* (1973; Berkeley, Ca., 1986), ch. 14, pp. 288-305.

### **Dec. 6-8**

\*Carlos F. Diaz Alejandro, "Latin America in the 1930s," in Rosemary Thorp, ed. *Latin America in the 1930s: The Role of the Periphery in World Crisis* (New York, 1984), pp. 17-49.

\*Ian Brown, "Some Comments on Industrialisation in the Philippines during the 1930s," in Ian Brown, ed. *The Economies of Africa and Asia in the Inter-war Depression* (London, 1989), pp. 203-20.

\*Roger Owen, "Egypt in the World Depression: Agricultural Recession and Industrial Expansion," in Ian Brown, ed. *The Economies of Africa and Asia in the Inter-war Depression* (London, 1989), pp. 137-51.

### Recommended:

Robert J. Gordon, "The 1920s and the 1990s in Mutual Reflection," in *The Global Economy in the 1990s: A Long-Run Perspective*, eds. Paul W. Rhode and Gianni Toniolo (Cambridge, Eng., 2006), pp. 161-192.

Martha L. Olney, "Avoiding Default: The Role of Credit in the Consumption Collapse of 1930," *Quarterly Journal of Economics*, 114 (Feb. 1999), pp. 319-335.

Milton Friedman and Anna Jacobson Schwartz, *A Monetary History of the United States, 1867-1960* (Princeton, 1963).

Peter Temin, *Lessons from the Great Depression* (Cambridge, Mass., 1989).

Alexander J. Field, *A Great Leap Forward: 1930s Depression and U.S. Economic Growth* (New Haven, Ct., 2011).

David M. Gordon, Richard Edwards, and Michael Reich, *Segmented Work, Divided Workers: The Historical Transformation of Labor in the United States* (Cambridge, Eng., 1982).

Terrence McDonough, Michael Reich, and David Kotz, *Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the 21<sup>st</sup> Century* (Cambridge, Eng., 2010).

Barry Eichengreen, *The European Economy Since 1945: Coordinated Capitalism and Beyond* (Princeton, 2007).

Barry Eichengreen, *Exorbitant Privilege: The Rise and Fall of the Dollar and the Future of the International Monetary System* (New York, 2011).

### **RESPONSE PAPER DUE DATES**

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|-----------------------|--|
| 1. Monday, Sept. 12   | Polanyi  |
| 2. Thursday, Sept. 15 | Sweezy et al.  |
| 3. Thursday, Sept. 22 | Pomeranz   |
| 4. Thursday, Sept. 29 | Moore  |
| 5. Tuesday, Oct. 4    | Ransom and Sutch   |
| 6. Thursday, Oct. 13  | Wright   |
| 7. Tuesday, Oct. 25   | Chandler/Sabel and Zeitlin/Lamoreaux, Raff, and Temin<br>(must include discussion of Chandler) |
| 8. Thursday, Nov. 3   | Lamoreaux  |
| 9. Thursday, Nov. 10  | Fishlow/Amsden   |
| 10. Thursday, Nov. 17 | Temin  |
| 11. Tuesday, Nov. 29  | Bernstein/Kindleberger   |
| 12. Tuesday, Dec. 6   | Diaz Alejandro/Brown/Owen  |