

# Britain & the World Economy 1850-1914, Syllabus

Dr. Gabriel Geisler Mesevage

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## 1. Britain in 1850 & Class Mechanics

### Some background to read if you can

- Joel Mokyr, *The Enlightened Economy*, Ch. 19 “The Results: The British Economy in 1851”
- Kevin O’Rourke, “Economic History and Contemporary Challenges to Globalization”, *Journal of Economic History*, Vol. 79, No. 2, 2019.
- Martin Daunt, “Presidential Address: Britain and Globalization since 1850: I. Creating a Global Order, 1850-1914”, *Transactions of the Royal Historical Society*, Vol. 16, 2006.

## 2. Opening up to trade: the Corn Laws

### Required

- Cheryl Schonhardt-Bailey, *From the Corn Laws to Free Trade: Interests, Ideas and Institutions in Historical Perspective*, MIT: 2006, Chapter 1.
- Douglas Irwin, “Political Economy and Peel’s Repeal of the Corn Laws”, *Economics and Politics*, Vol. 1, No. 1, 1989
- Anthony Howe, *Free Trade and Liberal England 1846–1946*, OUP: Oxford, 1998, Chapter 1

### Questions

- What explains the repeal of the corn laws?
- Why does Schonhardt-Bailey describe Repeal as a puzzle?
- What do you think the role and relative importance of interests, ideas and institutions were in repeal?
- Why is manufacturing opposed to the Corn Laws? Why might manufacturing benefit from repeal?

### Additional

- Henry Miller, “Popular Petitioning and the Corn Laws, 1833-46”, *English Historical Review*, Vol. CXXVII, No. 527, 2012.
- Timothy McKeown. 1989. “The Politics of Corn Law Repeal and Theories of Commercial Policy.” *British Journal of Political Science* 19: 353-80.

## 3. The domestic consequences of trade

### Required

- Charles Wilson, ‘Economy and Society in Late Victorian Britain’, *Economic History Review*, 2nd ser. 18 (1965), 183-97.
- Douglas Irwin, Maksym Chepeliev, “The Economic Consequences of Sir Robert Peel: A Quantitative Assessment of the Repeal of the Corn Laws”, *The Economic Journal*, Vol. 131, 2021, pp. 33322-33337.
- Sharp, Paul 2010. “1846 and All That: The Rise and Fall of British Wheat Protection in the Nineteenth Century,” *Agricultural History Review* 58: 76-94. If you don’t have time to read everything this can be skipped.

- O'Rourke, Kevin H. "The European Grain Invasion, 1870-1913." *The Journal of Economic History*, vol. 57, no. 4, 1997, pp. 775-801.

### Questions

- What were the major domestic consequences of global trade integration?
- Was the growth of global trade more a consequence of policy or technology?
- Was there really a 'great depression' in the period 1873-1896?

### Additional

- FLETCHER, T. W. (1961), THE GREAT DEPRESSION OF ENGLISH AGRICULTURE 1873-1896. *The Economic History Review*, 13: 417-432.
- Gráda, Cormac Ó. "Farming High and Low, 1850-1914." *The Agricultural History Review*, vol. 49, no. 2, 2001, pp. 210-218.
- S. B. Saul, *The Myth of the Great Depression, 1873 - 1896*, Studies in Economic and Social History Series (London: MacMillan, 1969; 2nd revised edition, 1985), pp. 9 - 72.
- P.J. Perry, "Editors Introduction" in P.J. Perry (ed.) *British Agriculture, 1875-1914*, Methuen: 1973.
- D. Landes, *The unbound Prometheus: technological change and industrial development in Western Europe from 1750 to the present*, CUP: 1969, Ch. 5 "Short Breath and Second Wind"
- Turner, M. (2004). Agriculture, 1860-1914. In R. Floud & P. Johnson (Eds.), *The Cambridge Economic History of Modern Britain* (pp. 133-160). Cambridge: Cambridge University Press.
- T. da Silva Lopes and P. Guimaraes (2014), "Trademarks and British Dominance in Consumer Goods." *The Economic History Review*, 67: 793-817.
- Dierdre McCloskey. 1980 "Magnanimous Albion: Free Trade and British National Income, 1841-1881." *Explorations in Economic History* 17: 303-321.

## 4. Trade and The Great Specialization

### Required

- Findlay and O'Rourke, *Power and Plenty*, Ch. 7, "World Trade 1780-1914: The Great Specialization," pp. 365-428.
- Arthur Lewis, *Growth and Fluctuations 1870-1913*, George Allen & Unwin: London, 1978, Chapter 1 "Prospectus"
- G. Arrighi, *The Long Twentieth Century: Money, Power, and the Origins of Our Times*, Verso: 1996, Chapter 3, "The Third (British) Systemic Cycle of Accumulation"

### Questions

- Was the global commodities boom of the late 19th century good or bad for the global periphery?
- Is it possible for countries to become wealthy without industrializing?

### Additional

- O'Rourke, Kevin H., et al. "Factor Price Convergence in the Late Nineteenth Century". *International Economic Review*, vol. 37, no. 3, 1996, pp. 499-530.
- Sibylle H. Lehmann and Kevin H. O'Rourke (2011) "The Structure of Protection and Growth in the Late Nineteenth Century" *The review of economics and statistics*, Vol 93, No. 2
- James Belich, *Replenishing the Earth: The Settler Revolution and the Rise of the Angloworld*, OUP: 2009
- TENA-JUNGUITO, A., LAMPE, M., & FERNANDES, F. (2012). "How Much Trade Liberalization Was There in the World Before and After Cobden-Chevalier?" *The Journal of Economic History*, 72(3), 708-740. doi:10.1017/S0022050712000344
- Kevin O'Rourke and Jeffrey Williamson, *Globalization and History: The Evolution of a Nineteenth-Century Atlantic Economy*, MIT: 1996, Chapters 2 & 3.

- C. Knick Harley, “Ocean Freight Rates and Productivity, 1740-1913: The Primacy of Mechanical Invention Reaffirmed,” *Journal of Economic History*, Vol. 48, No. 4, 1988.
- A. Benetrix et. al., “The Spread of Manufacturing to the Poor Periphery 1870-2007”, *NBER Working Paper*, No. 18221, 2012

## 5. The Debate over Relative Decline

### Required

- Elbaum, Bernard, and William Lazonick. “The Decline of the British Economy: An Institutional Perspective.” *The Journal of Economic History*, vol. 44, no. 2, 1984, pp. 567–583.
- Leunig, Timothy. “A British Industrial Success: Productivity in the Lancashire and New England Cotton Spinning Industries a Century Ago.” *The Economic History Review*, vol. 56, no. 1, 2003, pp. 90–117.
- D. McCloskey and Lars G. Sandberg, “From damnation to redemption: Judgments on the late victorian entrepreneur,” *Explorations in Economic History*, Vol. 9, 1971–1972, Pages 89-108.

### Questions

- Did Britain’s early industrialization yield some sort of ‘first-mover disadvantage’?
- Why didn’t Britain adopt newer technological and organizational techniques in cotton-spinning? Is this evidence of ‘irrationality’?

### Additional

- Leunig (2001) ‘New Answers to Old Questions: Explaining the Slow Adoption of Ring Spinning in Lancashire, 1880-1913’, *Journal of Economic History*
- Saxonhouse and Wright (2010) “National Leadership and Competing Technological Paradigms: The Globalization of Cotton Spinning, 1878–1933” *Journal of Economic History*
- Magee (2004) “Manufacturing and technological change” *The Cambridge Economic History of Modern Britain Vol. 2: Economic Maturity, 1860–1939*
- Nicholas (2004) “Enterprise and management” Chapter 9 in Floud and Johnson, *The Cambridge Economic History of Modern Britain: Volume II: Economic Maturity, 1860- 1939*
- Broadberry (2004) “Human capital and skills,” in Floud and Johnson, *The Cambridge Economic History of Modern Britain: Volume II: Economic Maturity, 1860-1939*
- Thomas (2004) “The service sector,” in Floud and Johnson, *The Cambridge Economic History of Modern Britain: Volume II: Economic Maturity, 1860-1939*
- Cottrell (2004); “Domestic Finance, 1860-1914” in Floud and Johnson, *The Cambridge Economic History of Modern Britain: Volume II: Economic Maturity, 1860-1939*
- Ciliberto (2010) “Were British cotton entrepreneurs technologically backward? Firm-level evidence on the adoption of ring spinning” *Explorations in Economic History*
- Broadberry and Marrison (2002) “External Economies of Scale in the Lancashire Cotton Industry, 1900-1950” *Economic History Review*
- Broadberry (1998) “How did the United States and Germany Overtake Britain? A Sectoral Analysis of Comparative Productivity Levels, 1870-1990” *Journal of Economic History*
- McCLOSKEY, D. N. (1970), Did Victorian Britain Fail?. *The Economic History Review*, 23: 446-459.
- P. Temin, ‘Capital Exports 1870-1914: an Alternative Model’. *Economic History Review* (1987)
- W.P. Kennedy, ‘Capital Markets and Industrial Structure in the Victorian Economy’, in J.J. van Helten & Y. Cassis (eds), *Capitalism in a Mature Economy* (1990)
- D.H. Aldcroft (ed), *The Development of British Industry and Foreign Competition 1875-1914* (1968) chapter 1
- D.H. Aldcroft & H. Richardson (eds), *The British Economy 1870-1939* (1969) Section B, ch. 1 (Richardson: ‘Retardation in Britain’s Industrial Growth 1870-1913’)
- S.B. Saul, *The Myth of the Great Depression 1873-1896* (1973)

- M. Kirby & M. Rose (eds), *Business Enterprise in Modern Britain from the Eighteenth to the Twentieth Century* (1994) ch. 8 (Westall).
- D.C. Coleman & C. MacLeod, 'Attitudes to New Techniques: British Businessmen 1800-1950' *Economic History Review* (1986)
- M.J. Wiener, *English Culture and the Decline of the Industrial Spirit 1850-1980* (1981) chs. 1 - 4
- P.L. Payne, *British Entrepreneurship in the Nineteenth Century* (1974)
- A Godley, 'Entrepreneurship in Victorian Britain' in D. Landes, W. Baumol & J. Mokyr (eds), *The Invention of Enterprise* (2009).
- C. H. Feinstein, "Slowing Down and Falling Behind: Industrial Retardation in Britain after 1870," in Anne Digby, et al., eds., *New Directions in Economic and Social History* Vol. II (1992) Ch. 12, pp. 163-76.
- D. C. Coleman, "Gentlemen and Players," *Economic History Review* 26 (1973): 92-116.
- M. W. Kirby (1992), "Institutional rigidities and economic decline: reflections on the British experience". *The Economic History Review*, 45: 637-660.

## 6. The British export of capital

### Required

- S. Pollard, 'Capital exports 1870-1914: Harmful or Beneficial?' *Economic History Review*, Vol. 38, No. 4, (1985)
- Chabot, B.R. and Kurz, C.J. (2010), "That's Where The Money Was: Foreign Bias and English Investment Abroad, 1866-1907". *The Economic Journal*\*, 120: 1056-1079.

### Questions

- Was the British domestic economy damaged by the export of capital?

### Additional

- A.R. Hall (ed), *The Export of Capital from Britain 1870-1914* (1968) chs. 1 and 4
- R.C. Michie, 'The Stock Exchange and the British economy 1870-1939' in J.J. van Helten & Y. Cassis (eds), *Capitalism in a Mature Economy* (1990)
- M. Edelstein, *Overseas Investment in the Age of High Imperialism* (1982)
- Y. Cassis, *City Bankers 1890-1914* (1994)
- Mira Wilkins, "The Free-Standing Company, 1870-1914: An Important Type of British Foreign Direct Investment," *Economic History Review*, Vol. 41, No. 2, 1988.
- Edelstein, M. (2004). Foreign investment, accumulation and Empire, 1860-1914. In R. Floud & P. Johnson (Eds.), *The Cambridge Economic History of Modern Britain* (pp. 190-226). Cambridge: Cambridge University Press.
- William N. Goetzmann, Andrey D. Ukhov, British Investment Overseas 1870-1913: A Modern Portfolio Theory Approach, *Review of Finance*, Volume 10, Issue 2, 2006, Pages 261-300

## 7. Sovereign debt markets

### Required

- Marc Flandreau, "Sovereign states, bondholders committees, and the London Stock Exchange in the nineteenth century (1827-68): new facts and old fictions", *Oxford Review of Economic Policy*, Vol. 29, No. 4, 2013
- Michael Tomz, *Reputation and International Cooperation: Sovereign Debt across Three Centuries* Princeton University Press, 2007. Ch 1 & Ch 6
- Eichengreen et al. *In Defense of Public Debt*, OUP 2021, Ch 5 "Caveat Emptor"

### Questions

- What mechanisms existed in the 19th century to get sovereigns to repay their debts?
- How important was the British empire/navy in international lending?

#### Additional

- Flandreau, M. and J. Flores (2009): Bonds and brands: foundations of sovereign debt markets, in: *Journal of Economic History*, 69, pp. 646-684.
- Marc Flandreau and Juan H. Flores, 'Bondholders versus Bond-sellers? Investment Banks and Conditionality Lending in the London Market for Foreign Government Debt, 1815 - 1913', *European Review of Economic History*, 16:4 (November 2012), 356- 83.
- Juan Flores, "Competition in the Underwriting Markets of Sovereign Debt: The Baring Crisis Revisited", *Law and Contemporary Problems*, Vol. 73, No. 4, 2010
- Rui Esteves, "The bondholder, the sovereign and the banker: sovereign debt and bondholders' protection before 1914", *European Review of Economic History*, Vol. 17, No. 4, 2013.
- Marichal, C., (1989). A Century of Debt Crises in Latin America. Princeton: Princeton University Press, chapters 3 and 4.
- Flandreau, Marc, et al. "The End of Gatekeeping: Underwriters and the Quality of Sovereign Bond Markets, 1815–2007." NBER International Seminar on Macroeconomics, vol. 6, no. 1, 2009, pp. 53–92.

## 8. Empire and capital market integration

#### Required

- Ferguson, N., and M. Schularick (2006), "The Empire Effect: The Determinants of Country Risk in the First Age of Globalization, 1880–1913." *Journal of Economic History*, vol. 66, pp. 283-312.
- Accominotti, O., M. Flandreau and R. Rezzik, (2011), "The Spread of Empire: Clio and the Measurement of Colonial Borrowing Costs", *The Economic History Review*, vol. 64, pp. 385-407.
- Gardner, L. (2017): Colonialism or supersanctions: sovereignty and debt in West Africa, 1871-1914, in: *European Review of Economic History*, 21, 236-257.

#### Questions

- Why did colonies pay lower interest rates on their sovereign debt?

#### Additional

- Accominotti et al. "Black man's burden, white man's welfare: control, devolution and development in the British Empire, 1880-1914", *European Review of Economic History*, Vol. 14, No. 1, 2010
- Offer, Avner. "The British Empire, 1870-1914: A Waste of Money?" *The Economic History Review*, vol. 46, no. 2, 1993, pp. 215–238.
- Cain, P. (1998). Was it Worth Having? the British Empire 1850–1950. *Revista De Historia Económica / Journal of Iberian and Latin American Economic History*, 16(1), 351-376.
- Davis & Huttenback, *Mammon and the Pursuit of Empire*
- Michael Edelstein, "Imperialism: cost and benefit," in Floud & McCloskey (eds) *The Economic History of Britain since 1700*, Vol. 2, 1994.
- CAIN, P. J., and HOPKINS, A. G. (1993a): *British Imperialism: Innovation and Expansion, 1688-1914*, London.
- Bordo and Rockoff (1996) "The Gold Standard as a "Good Housekeeping Seal of Approval"" *The Journal of Economic History*
- Bordo, M., and F. Kydland (1995), "The Gold Standard As a Rule: An Essay in Exploration." *Explorations in Economic History*, vol. 32, pp. 423-464.
- Obstfeld, M., and A. Taylor (2002), "Globalization and Capital Markets", NBER Working Paper No 8846.
- Flandreau M., and F. Zumer (2004), *The Making of Global Finance, 1880-1913*, OECD: Development Centre.

## 9. The functioning of the classic gold standard

### Required

- Charles Kindleberger, *The World in Depression, 1929-1939*, Ch. 14
- Barry Eichengreen, Chapter 2 “The Gold Standard” *Globalizing Capital: A History of the International Monetary System*, PUP: 2008.
- Marc Flandreau, ‘Central Bank Cooperation in Historical Perspective: a Sceptical View’, *The Economic History Review*, 2nd ser., 50:4 (November 1997), 735-63.
- Flandreau (1996) “The French crime of 1873: An essay on the emergence of the international gold standard, 1870–1880” *The Journal of Economic History*

### Questions

- Would the bimetallic (silver/gold) standard have remained viable without the Franco-Prussian war?
- Why was the late-19th century gold standard stable?

### Additional

- Bordo, M. (1981), “The classical gold standard: some lessons for today”, Federal Reserve Bank of St. Louis Review, May 1981, pp. 2-17.
- Meissner (2005) “A new world order: explaining the international diffusion of the gold standard, 1870–1913” *Journal of International Economics*
- Lopez-Cordova and Meissner (2003) “Exchange-Rate Regimes and International Trade: Evidence from the Classical Gold Standard Era” *American Economic Review*
- Hume, D. (1752), “On the balance of trade”
- Marc Flandreau, Juan Flores, Clemens Jobst, and David Koudour-Casteras, ‘Business Cycles, 1870 - 1914’, pp. 84-108. in Broadberry and O’Rourke (eds) *The Cambridge Economic History of Modern Europe*, Vol. 2.
- Redish, A. (1990). The Evolution of the Gold Standard in England. *The Journal of Economic History*, 50(4), 789-805.

## 10. Globalization and the Coming of the First World War

### Required

- Jamie Martin, “Globalizing the History of the First World War: Economic Approaches”, *Historical Journal*, 2021
- Adam Tooze, Ted Fertik, “The World Economy and the Great War”, *Geschichte und Gesellschaft*, Vol. 40, 2014
- Thomas Hauner, Branko Milanovic and Suresh Naidu, “Inequality, Foreign Investment, and Imperialism Prior to World War I”, Working Paper, February 2020

### Questions

- In what ways can we consider the first world war as arising out of 19th century economic globalization?

### Additional

- Avner Offer, Chapter 1 “Introduction: Economic and Social Interpretation of the First World War” *The First World War: an agrarian interpretation*, OUP: 1989
- Stephen Broadberry & Peter Howlett, “The United Kingdom during World War I: business as usual?” in S. Broadberry and M. Harrison (eds.), *The Economics of World War I*, CUP: 2005.
- W. Ashworth, *An Economic History of England 1870-1939* (1960) ch.12
- S. Pollard, *The Development of the British Economy 1914-1980* (1970) ch. 2
- D.H. Aldcroft & H. Richardson (eds), *The British Economy 1870-1939* (1969) Section B, ch. 6
- A.S. Milward, *The Economic Effects of the World Wars on Britain* (1970)

- B.W. Alford, *Depression and Recovery? British Economic Growth 1918-1939* (1972)
- Rowe, David M. “The Tragedy of Liberalism: How Globalization Caused the First World War.” *Security Studies* 14, no. 3 (2005): 407–47.