Syllabus: Methods in Economic History 6AAH1008

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Description

The purpose of this module is to introduce history students to the study of economic historians by exposing them to the realities of historical data collection and interpretation. The module will cover key methods in economic history as well as key historiographical debates that revolve around central questions of collection, measurement, and analysis. The course builds on classic debates in economic history to allow students the opportunity to interrogate how historians have grappled with questions of the economy, welfare and growth in the long term.

A link to the course github page is here.

1. The history of economic history

We open by contextualizing economic history and quantitative methods in historical inquiry within the broader development of the discipline. We discuss the 'cliometric' movement in the second half of the 20th century, its strengths and weaknesses.

Core readings:

1. Robert Fogel "The New Economic History. I. Its Findings and Methods," *Economic History Review* (1966), 19: 3, 642–656. (link)
2. Naomi Lamoreaux "The Future of Economic History Must Be Interdisciplinary," *The Journal of Economic History* (December 2015), 75: 4, 1251–1257. (link)
3. M. Gutmann, E. Klancher Merchant, and E. Roberts ""Big data" in economic history," *Journal of Economic History* (2018), 78: 1, 268299. (link)

2. The history of quantification

We need to start by thinking about the relationship between measurement, statistics and chance. The study of chance is relatively new – certainly new within mathematics. It was only over the course of the last few centuries that ideas developed about how we might quantify and describe chance processes that are subject to chance. We will tackle some hard philosophical readings this week about the emergence of probability as an object of study, and think about how this relates to quantification in history and the social sciences.

Core reading:

1. Ian Hacking *The Taming of Chance* (Cambridge University Press, August 1990)., Chapter 1 and Chapter 23 (link)
2. Theodore M. Porter "Making Things Quantitative," *Science in Context* (1994), 7: 3, 389–407. (link)

3. Basic tools: central tendencies and dispersion

We develop basic tools here to think about how we summarize data and communicate about it. This means working through concepts that should be familiar (averages) and concepts that may seem less familiar (standard deviations).

Core readings (pick 1 or two textbook treatments and the additional reading):

1. C. H. Feinstein and Mark Thomas *Making history count* (Cambridge: Cambridge University Press, 2002)., Chapter 2 (harder)
2. Pat Hudson and Mina Ishizu *History by Numbers* (Bloomsbury Publishing, November 2016)., Chapter 4 (easier)
3. Peter M. Aronow and Benjamin T. Miller *Foundations of Agnostic Statistics* (Cambridge University Press, January 2019)., Chapter 2 (hardest – most concise/complete)
4. Deirdre N. McCloskey and Stephen T. Ziliak "The standard error of regressions," *Journal of Economic Literature* (1996), 34: 1, 97–114.

4. Measurement in action: selection bias

Textbook mathematics is all very straightforward but almost all actual research has to cope with the problem of selection bias. We will work through a case study in selection bias this week looking at the problem of inferring historical welfare from samples of population heights – a practice known as anthropometrics.

Core readings:

1. Howard Bodenhorn, Timothy W. Guinnane, and Thomas A. Mroz "Sample-Selection Biases and the Industrialization Puzzle," *The Journal of Economic History* (March 2017), 77: 1, 171–207. (this is the first critique)
2. John Komlos and Brian A'Hearn "Clarifications of a puzzle," *The Journal of Economic History* (2019), 79: 4, 1129–1153. (the reply)
3. Howard Bodenhorn, Timothy W. Guinnane, and Thomas A. Mroz "Diagnosing Sample-Selection Bias in Historical Heights," *The Journal of Economic History* (December 2019), 79: 4, 1154–1175. (the reply to the reply)

5. Samples and their interpretation: Measuring historical wages

This session is devoted to the debate around early modern wage rates (Allen and Stephenson and Humphries). This debate is critical to theories of why the industrial revolution occurred in Britain as opposed to elsewhere, and hinges around difficult questions of measurement: what samples of wages do we have to make statements about 'British wage rates' in the early modern period? How many days did people actually work, and were the rates for individuals or firms?

Core readings:

1. Robert C. Allen "Why the industrial revolution was british," *The Economic History Review* (2011), 64: 2, 357–384.
2. Jane Humphries "The lure of aggregates and the pitfalls of the patriarchal perspective," *The Economic History Review* (2013), 66: 3, 693–714.
3. Robert C. Allen "The high wage economy and the industrial revolution," *The Economic History Review* (February 2015), 68: 1, 1–22.
4. Jane Humphries and Benjamin Schneider "Spinning the industrial revolution," *The Economic History Review* (February 2019), 72: 1, 126–155.
5. Robert C Allen "Spinning their wheels," *Economic History Review* (2020), 73: 4.

6. Rival models: empire and historical bond yields

Bond yields have the potential to summarize a large amount of information about interest rate risk, political risk, default risk, exchange rate risk, etc. and have been objects of intensive interest. We will tackle here debates around the measurement of default risk for sovereign vs colonial borrowers and the relative role of colonialism vs the gold standard as categories of explanation. The key methodological tension this week is the question of what model you bring to the same data.

Core reading:

1. Michael D Bordo and Hugh Rockoff "The Gold Standard as a "Good Housekeeping Seal of Approval"" (1996), 56: 2, 41.

2. Niall Ferguson and Moritz Schularick "The Empire Effect," *The Journal of Economic History* (June 2006), 66: 2, 283–312.
3. Olivier Accominotti, Marc Flandreau, and Riad Rezzik "The spread of empire," *The Economic History Review* (May 2011), 64: 2, 385–407.

7. Measuring the price level

Inter-temporal comparisons of prices only make sense if we can adjust those prices by how much things cost. This is not straightforward and gets harder in earlier periods where prices are more difficult to come by. We will tackle this week the 'standard of living debate' about whether the industrial revolution in Britain improved or worsened wages and by extension living standards for the average labourer. We will go over how the 'optimistic' early wage series of Lindert and Williamson proved optimistic precisely because of poor measures of changing prices, and how this series was revised by Feinstein in his article "Pessimism perpetuated".

Core reading:

1. E. J. Hobsbawm "The standard of living during the industrial revolution," *The Economic History Review* (1963), 16: 1, 119–134.
2. Peter H. Lindert and Jeffrey G. Williamson "English workers' living standards during the industrial revolution," *The Economic History Review* (1983), 36: 1, 1–25.
3. Charles H. Feinstein "Pessimism Perpetuated," *The Journal of Economic History* (September 1998), 58: 3, 625–658.

8. Measuring GDP

GDP is one of the most frequently referenced economic measures. It is also widely misunderstood, highly constructed, and in many instances unreliable. We focus this week on several problems with measuring GDP, ranging from institutional capacity to adjustments for variety and quality.

Core reading:

1. Morten Jerven *Poor numbers* (Ithaca, UNITED STATES: Cornell University Press, 2013)., Intro and Chapter 1
2. Diane Coyle *Gdp* (Princeton, UNITED STATES: Princeton University Press, 2014)., Chapter 4
3. William Nordhaus "Do Real-Output and Real-Wage Measures Capture Reality? The History of Lighting Suggests Not," eds. Timothy F. Bresnahan and Robert J. Gordon (Chicago: University of Chicago Press, 1997).

9. Measuring historical population

Many social scientists rely on historical measures of population in regression models or theoretical accounts of growth or political change. This week we will tackle a recent critique of this data from Guinnane (2023), which highlights the difficulty of relying on very approximate data (correct only to an order of magnitude at best), which is itself the product of a model.

Core reading:

1. Timothy W. Guinnane "We Do Not Know the Population of Every Country in the World for the Past Two Thousand Years," *The Journal of Economic History* (September 2023), 83: 3, 912–938.
2. N. Nunn and N. Qian "The Potato's Contribution to Population and Urbanization," *The Quarterly Journal of Economics* (May 2011), 126: 2, 593–650.

10. Measuring inequality

Measuring inequality is intrinsically quite difficult because it requires measurements of the whole distribution of income or wealth and not simply its average. This makes inequality measures much more sensitive to problems of sample selection in which high or low values are more likely to be missed. In this week we tackle debates between Auten and Splinter on the one side, and Piketty, Saez and Zucman on the other, as to whether 20th century inequality has increased and by how much. As this debate reveals, even with very extensive modern income tax data, answering questions about inequality depend crucially on what we assume about individuals not in the data set – if they are mostly rich or mostly poor.

Core reading:

1. Thomas Piketty, Emmanuel Saez, and Gabriel Zucman "Distributional National Accounts," *The Quarterly Journal of Economics* (May 2018), 133: 2, 553–609.
2. Gerald Auten and David Splinter "Income Inequality in the United States," *Journal of Political Economy* (July 2024), 132: 7, 2179–2227.