



RICHARD HORNBECK

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APPLIED MICROECONOMICS IN ECONOMIC HISTORY

Business 33917

Winter 2021

A. COURSE OVERVIEW

This course is designed to expand the range of empirical settings in applied microeconomics research by drawing upon historical contexts and data sources. It will be organized around particular topics and historical periods, with an emphasis on questions related to economic growth. Class will include discussion of assigned readings, which are to be completed by the date indicated on the reading list. There will be a final exam, covering the topics and papers discussed, and students will develop two research proposals that use economic history to inform our broader understanding of economics.

B. TEACHING ASSISTANTS AND OFFICE HOURS

Teaching Assistant: Ezra Karger (karger@uchicago.edu)

Administrative Contact: Stephen Lamb (Stephen.Lamb@chicagobooth.edu)

C. MATERIALS

The course website contains information and materials relevant to the class. The site can be reached from <https://canvas.uchicago.edu/>. The readings indicated on the syllabus should be read **prior** to the indicated class.

D. COURSE REQUIREMENTS AND GRADING

Prior to the second class, please send the TA an email with the following:

- Your name and email address
- Your department and PhD year
- Your fields of specialization
- A few sentences describing any ongoing research papers
- A few sentences describing any early research ideas

Grading will be based on:

- Class participation (20%)
- First research proposal (25%)
- Second research proposal (25%)
- Final exam (30%)

The expectation for class participation is that you come to class and participate constructively in class discussion.

For each research proposal, you should put together a concise 1 page outline that describes the research question, the empirical setting, the data that would be collected (which should be feasible, if only with substantial time/money), the empirical methodology and identification strategy, the potential empirical concerns, and how you would look to address those concerns. The first research proposal is due Week 6, and the second research proposal is due Week 11.

The final exam (in Week 11) will be discussion questions related to the assigned readings and class discussion.

E. OTHER DETAILS

The course is for PhD candidates only, and auditing of the course is not permitted.

If you require any accommodations for this course, as soon as possible please provide your instructor with a copy of your Accommodation Determination Letter (provided to you by the Student Disability Services office) so that you may discuss with your instructor how your accommodations may be implemented in this course. The University of Chicago is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or think you may have a disability) and, as a result, need a reasonable accommodation to participate in class, complete course requirements, or benefit from the University's programs or services, you are encouraged to contact Student Disability Services as soon as possible. To receive reasonable accommodation, you must be appropriately registered with Student Disability Services. Please contact the office at 773-702- 6000/TTY 773-795-1186 or disabilities@uchicago.edu, or visit the website at disabilities.uchicago.edu. Student Disability Services is located at 5501 S. Ellis Avenue.

F. HONOR CODE

You are welcome – and even encouraged – to discuss the papers and your research ideas with other students outside of class. Your research proposals should be written individually, and should represent sole-authored work.

Students enrolled in this class are expected to adhere to the terms of Booth's honor code.

Please Note: The information contained in the documents for this course, including those on Canvas, is confidential, privileged, and only for the use of the intended recipient and may not be used, published, or redistributed without the prior written consent of the Booth faculty member teaching the course.

Class Schedule and Readings

Session 1 January 15

Introduction to Applied Microeconomics Research in Economic History

Hornbeck, Richard. 2020. "Introducing the 2019 Nevins Prize finalists, with thoughts on research in economic history," *Journal of Economic History*, Vol. 80, No. 2, pp. 564-565, June 2020.

Skim through:

Freedman, David. 1991. "Statistical Models and Shoe Leather," *Sociological Methodology*, Vol. 21, pp. 291-313.

Laslett, Peter. 1983. The World We Have Lost: Further Explored. Third edition, Cambridge University Press, Ch 4, pp. 81-105.

Mostly Harmless Econometrics, Angrist and Pischke.

Session 2 January 22

Institutions and Long-Run Economic Development

Acemoglu, Johnson, Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*.

Nunn. 2008. "The Long-run Effects of Africa's Slave Trades," *Quarterly Journal of Economics*.

Nunn and Wantchekon. 2011. "The Slave Trade and the Origins of Mistrust in Africa," *American Economic Review*.

Lowes and Montero. 2020. "Concessions, Violence, and Indirect Rule: Evidence from the Congo Free State," under revision, *Quarterly Journal of Economics*.

Session 3 January 29

Institutions and Medium-Run Economic Development

Petra Moser. 2005. "How Do Patent Laws Influence Innovation? Evidence from Nineteenth-Century World's Fairs," *American Economic Review*.

Hornbeck, Richard. 2010. "Barbed Wire: Property Rights and Agricultural Development." *Quarterly Journal of Economics*.

Libecap, Gary and Dean Lueck. 2011. "The Demarcation of Land and the Role of Property Coordinating Institutions," *Journal of Political Economy*.

Bleakley, Hoyt and Joseph Ferrie. 2014. "Land Openings on the Georgia Frontier and the Coase Theorem in the Short- and Long-run."

Session 4 February 5
Path Dependence vs. Convergence

Davis and Weinstein. 2002. “Bones, Bombs, and Break Points: the Geography of Economic Activity.” *American Economic Review*.

Bleakley, Hoyt and Jeffrey Lin. 2012. “Portage and Path Dependence.” *Quarterly Journal of Economics*.

Waldinger, Fabian. 2010. “Quality Matters: The Expulsion of Professors and the Consequences for PhD Student Outcomes in Nazi Germany,” *Journal of Political Economy*.

Waldinger, Fabian. 2011. “Peer Effects in Science: Evidence from the Dismissal of Scientists in Nazi Germany,” *Review of Economic Studies*.

Waldinger, Fabian. 2016. “Bombs, Brains, and Science: The Role of Human and Physical Capital for the Creation of Scientific Knowledge,” *Review of Economics and Statistics*.

Session 5 February 12
Agglomeration Spillovers, Regional Growth, and Urban Growth

Greenstone, Hornbeck, and Moretti. 2010. “Identifying Agglomeration Spillovers: Evidence from Winners and Losers of Large Plant Openings,” *Journal of Political Economy*.

Kline and Moretti. 2014. “Local Economic Development, Agglomeration Economies, and the Big Push: 100 Years of Evidence from the Tennessee Valley Authority,” *Quarterly Journal of Economics*.

Hornbeck and Keniston. 2017. “Creative Destruction: Barriers to Urban Growth and the Great Boston Fire of 1872,” *American Economic Review*.

Michaels, Nigmatulina, Rauch, Regan, Baruah, Dahlstrand-Rudin. “Planning Ahead for Better Neighborhoods: Long Run Evidence from Tanzania.”

Session 6 February 19
Market Integration and Economic Development

Donaldson and Hornbeck. 2016. “Railroads and American Economic Growth: A “Market Access” Approach,” *Quarterly Journal of Economics*.

Hornbeck and Rotemberg. 2019. “Railroads, Reallocation, and the Rise of American Manufacturing.”

Skim:

Fogel, R. 1964. Railways and American Economic Growth. Chapters 2 and 3.

Session 7 February 26

Environmental Adaptation in the Short-run, Medium-run, and Long-run

Hornbeck, Richard. 2012. "The Enduring Impact of the American Dust Bowl: Short- and Long-run Adjustments to Environmental Catastrophe," *American Economic Review*.

Hornbeck, Richard. 2012. "Nature versus Nurture: The Environment's Persistent Influence through the Modernization of American Agriculture," *American Economic Review: P&P*.

Hornbeck and Keskin. 2014. "The Historically Evolving Impact of the Ogallala Aquifer: Agricultural Adaptation to Groundwater and Drought," *AEJ: Applied Economics*.

Hornbeck and Keskin. 2015. "Does Agriculture Generate Local Economic Spillovers? Short-run and Long-run Evidence from the Ogallala Aquifer," *AEJ: Economic Policy*.

Session 8 March 5

Migration and Economic Mobility

Hornbeck and Naidu. 2014. "When the Levee Breaks: Black Migration and Economic Development in the American South," *American Economic Review*.

Boustan, Leah. 2009. "Competition in the Promised Land: Black Migration and Racial Wage Convergence in the North, 1940-1970." *Journal of Economic History*.

Derenoncourt, Ellora. 2019. "Can you move to opportunity? Evidence from the Great Migration."

Abramitzky, Boustan, and Eriksson. 2014. "A Nation of Immigrants: Assimilation and Economic Outcomes in the Age of Mass Migration," *Journal of Political Economy*.

Abramitzky, Boustan, Jacome, Perez. 2019. "Intergenerational Mobility of Immigrants in the US over Two Centuries."

Session 9 March 12

Record Linking and Intergenerational Mobility

Bailey, Cole, Henderson, Massey. 2017. "How Well Do Automated Methods Perform in Historical Samples? Evidence from New Ground Truth."

Abramitzky, Boustan, Eriksson, Feigenbaum, Perez. 2019. "Automated Linking of Historical Data."

Ager, Boustan, Eriksson. 2019. "The Intergenerational Effects of a Large Wealth Shock: White Southerners after the Civil War."

Bleakley and Ferrie. 2016. "Shocking Behavior: Random Wealth in Antebellum Georgia and Human Capital Across Generations," *Quarterly Journal of Economics*.

Bleakley and Ferrie. 2013. "Up from Poverty? The 1832 Cherokee Land Lottery and the Long-run Distribution of Wealth."