



Course and Examination Fact Sheet: Autumn Semester 2021

5,244: Economic History

ECTS credits: 3

Overview examination/s

(binding regulations see below)

Decentral - Written examination (with defined exam duration) (100%, 90 mins.)

Examination time: term time

Attached courses

Timetable -- Language -- Lecturer

[5,244,1.00 Economic History](#) -- Englisch -- [Ochsner Christian](#)

Course information

Course prerequisites

The course requires basic knowledge of economic principles and the willingness to read some research papers. Knowledge of basic econometric concepts is an advantage, but not a must. We discuss empirical research papers that often relate to concepts of causal inference (see, for example, Angrist and Pischke 2010: *Mostly Harmless Econometrics: An Empiricist's Companion*). The instructor will give, however, a short and intuitive introduction to the main concepts discussed in class.

Learning objectives

Economic conditions and our economic lives are constantly changing. During the last decades, the rise of China has fostered de-industrialization in developed countries; the financial crisis in 2008 is still prolonging and visible in unconventional monetary policy measures; and technological change fosters the skill-premium and somewhat translates into radical political movements. How can we classify these current events and how unique are these changes in a historical context? The course will give answer to this - and many other questions - by looking back in history and linking historical occurrences to economic questions. Indeed, technological change, monetary and economic crises, waves of globalization and fertility transitions repeatedly shaped the world during the last 300 years. The lecture "Economic History" deals with the causes and determinants of the long-run evolution of economic and socio-economic variables. We look at economic shocks and their respective policy measures, zoom into the situation in Switzerland and ask whether economic history may help to achieve appropriate policy measures for challenges in the present day.

The course will thus provide students with the following learning objectives:

- Understanding the origins of economic development before the Industrial Revolution
- Understanding different theories on the Industrial Revolution in the UK and its spreading
- Know the causes and determinants of the Great Depression and its end in the USA and Europe
- Understand the role of monetary policy in history: From war financing in/after World War I and the "Golden Fetters" during the Great depression to imbalances in the Euro area
- Know the economic success and failure of totalitarian regimes: Soviet Union and Nazi Germany
- Understanding the economic development in Europe after World War II: Sectoral change and regional economics
- Gaining some insights on the fundamentals of cultural economics: How culture affects economic variables

Course content

This course provides an overview of economic history and the long-run development of socio-economic figures and focuses on the situation in Switzerland as well. The course consists of three main blocs.

First, the course starts with the question why some regions in the world start to become so much richer than the rest of the



world. Explanations for the economic success of Western Europe are, among others, the early fertility transition that caused the so-called "Little Divergence" and the Industrial Revolution starting in the UK around 1780. We also discuss whether the industrialization pattern in Switzerland parallels the situation in Europe. The first bloc ends with a lecture on the formation and evolution of social norms. We will discuss how the natural environment and long-gone historical or institutional legacies are shaping trust and norms until today. We also analyze the effect of culture on economic outcomes along the Swiss "Röstigraben".

Second, the course continues with the period between World War I and World War II. During the interwar period, the independence of many countries in Central and Eastern Europe, hyperinflations, the Great Depression and the rise of totalitarian regimes (Soviet Union, Nazi Germany) shaped the economic situation fundamentally. We discuss the economic effects of World War I, the resulting hyperinflations and their ends. We continue with the economic downturn during the Great Depression. We focus on the course and the end of the crisis, analyze differences in the USA and Europe and discuss potential lessons that were somewhat adapted after 2008. We also discuss the economic situation and the temporal economic success of totalitarian regimes in Germany and the USSR.

The third bloc investigates the economic development after World War II. The division of Europe into an Eastern and Western bloc provides quasi-experimental settings to study economic growth and convergence. We analyze the liberation and zoning of Europe after World War II to understand the determinants of regional economic growth and political outcomes. We discuss the sources of the so-called "economic miracle" after World War II and analyze the economic effects of trade and monetary integration within the Western Bloc (e.g., GATT/WTO, Bretton Woods/Euro) and compare it to the situation in COMECON countries in Eastern Europe.

Course structure and indications of the learning and teaching design

The course takes place on a weekly basis. It consists of twelve lectures (incl. introduction and repetition). The lectures are subsumed into three blocs dealing with economic history before World War I, the interwar period and the period after World War II.

Bloc No. 1: The origin of sustainable economic growth

Lecture #1: Course overview, introduction and "big picture"

Lecture #2: Pre-industrial Europe - "Little Divergence" and the sources of change

Lecture #3: The Industrial Revolution - The UK and the industrialization in Switzerland

Lecture #4: Cultural economics - Nature, history, institutions and the Röstigraben

Bloc No. 2: Obstacles in the interwar period

Lecture #5: The economics of wars - WWI and four big hyperinflations

Lecture #6: The Great Depression in the US - The crash and its (un)expected end

Lecture #7: The Great Depression in Europe - Contagion, golden fetters, and populism

Lecture #8: Totalitarian experiments - The economics of Nazi Germany and the USSR

Bloc No. 3: The division of Europe and economic growth after World War II

Lecture #9: Regional economics - The liberation and occupation of Europe by the Allies

Lecture #10: Economic growth after WWII - Bloc integration in the East and West

Lecture #11: From Bretton Woods to the Euro

Lecture #12: Repetition, Q&A and exam preparation

The weekly lecture will last for 90min. The lecture design will follow a classical frontal lecture in which open discussions and questions are greatly appreciated. In each week, we will discuss a research paper (see mandatory reading list). The lecturer expects that students know the basics of each paper and are able to introduce the respective settings and results during class. The paper will then be discussed together during the lectures. The main take-aways from the respective research papers are also parts of the lecture notes. All lecture notes and slides will be accessible online some days before the respective meeting.

Course literature

Relevant literature (mandatory reading list of research papers):

Becker, S. O., Grosfeld, I., Grosjean, P., Voigtländer, N., and E. Zhuravskaya (2020), "Forced migration and human capital: Evidence from post-WWII population transfers," *American Economic Review* 110(5), 1430-1463.

Bianchi, N., and M. Giorcelli (2018), "Reconstruction aid, public infrastructure, and economic development: The case of the Marshall Plan in Italy," Working Paper, UCLA.



Büchel, K., and S. Kyburz (2020), "Fast track to growth? Railway access, population growth and local displacement in 19th century Switzerland," *Journal of Economic Geography*, 20, 155-195.

Cantoni, D., Dittmar, J., and N. Yuchtman (2019): "Religious competition and reallocation: The political economy of secularization in the Protestant reformation," *The Quarterly Journal of Economics* 133(4), 2037-2096.

Doerr, S., Gissler, S., Peydró, J.-L., and H.-J. Voth (2020), "From Finance to Fascism," Working Paper, University of Zurich.

Eugster, B., Lalive, R., Steinhauer, A., and J. Zweimüller (2017), "Culture, Work attitudes, and job search: Evidence from the Swiss language border," *Journal of the European Economic Association*, 15(5), 1056-1100.

Hausman, J. K., Rhode, P. W., and J. F. Wieland (2019): "Recovery from the Great depression: The farm channel in spring 1933," *American Economic Review*, 109 (2), 427-472.

Juhász, R. (2018), "Temporary protection and technology adoption: Evidence from the Napoleonic Blockade," *American Economic Review* 108(11), 3339-3376.

Mohr, C. (2019), "Carrots and Sticks: Targeting the Opposition in an Autocratic Regime," Working Paper, LMU Munich.

Supplementary literature:

Acemoglu, D. and J. A. Robinson (2012): "*Why Nations Fail: Origins of Power, Poverty and Prosperity*", Crown Publishers, New York.

Allen, R. C. (2011): "*Global Economic History: A Very Short Introduction*", Oxford University Press, New York.

Angrist, J. D. and J.-S. Pischke (2010): "*Mostly Harmless Econometrics: An Empiricist's Companion*", Princeton University Press, Oxford and Princeton.

Broadberry, S. and K. H. O'Rourke (eds.) (2010): "*Cambridge Economic History of Modern Europe - 1870 to the Present, Volume 2*", Cambridge University Press, Cambridge.

Eichengreen, B. (1992): "*Golden Fetters: The Gold Standard and the Great Depression, 1919-1939*", Oxford University Press, New York.

Eichengreen, B. (2007): "*The European Economy since 1945: Coordinated Capitalism and Beyond*", Princeton University Press, New Jersey.

Additional course information

Office hours: Direct after classes at 10am or on Fridays from 11-11:45am at the SIAW (Bodanstr. 8, 9000 St. Gallen). Personal meetings at SIAW need an email-appointment.

In the case of the President's Board having to implement new directives due to the SARS-CoV-2 pandemic in AS2021, the course information listed above will be changed as follows:

- The course is conducted online via the platform Zoom;
- The lectures will partially provided as podcast before the Zoom meetings;
- Further information are communicated via StudyNet or e-mail.

The examination information listed below would be changed as follows:

- The written examination are conducted online and are being recorded;
- Students have to switch on or install an external camera during the final exam;
- Further information are communicated via StudyNet or e-mail.

Examination information

Examination sub part/s

1. Examination sub part (1/1)



Examination time and form

Decentral - Written examination (with defined exam duration) (100%, 90 mins.)

Examination time: term time

Remark

Written non-technical final exam (90min)

Examination-aid rule

Extended Closed Book

The use of aids is limited; any additional aids permitted are exhaustively listed under "Supplementary aids". Basically, the following is applicable:

- At such examinations, all the pocket calculators of the Texas Instruments TI-30 series and mono- or bilingual dictionaries (no subject-specific dictionaries) without hand-written notes are admissible. Any other pocket calculator models and any electronic dictionaries are inadmissible.
- In addition, any type of communication, as well as any electronic devices that can be programmed and are capable of communication such as notebooks, tablets, mobile telephones and others, are inadmissible.
- Students are themselves responsible for the procurement of examination aids.

Supplementary aids

None

Examination languages

Question language: English

Answer language: English

Examination content

The final exam (last week) will cover the content of all lectures and the content of the research papers from the mandatory reading list. All 9 research papers from the mandatory reading list will be discussed during the respective lectures.

The detailed examination content is as follows:

- Pre-industrial Europe - "Little Divergence" and the sources of change (incl. the research paper byCantoni., Dittmar and Yuchtman (QJE 2019))
- The Industrial Revolution - The UK and the industrialization in Switzerland (incl. the research paper byBüchel and Kyburz (JEG 2020))
- Cultural economics - Nature, history, institutions and the Röstigraben (incl. the research paper byEugster, Lalive, Steinhauer and Zweimüller (JEEA 2017))
- The economics of wars - WWI and four big hyperinflations (incl. the research paper byJuhász (AER 2018))
- The Great Depression in the US - The crash and its (un)expected end (incl. the research paper byHausman, Rhode and Wieland (AER 2019))
- The Great Depression in Europe - Contagion, golden fetters, and populism (incl. the research paper byDoerr, Gissler, Peydró and Voth (Working Paper 2020))
- Totalitarian experiments - The economics of Nazi Germany and the USSR (incl. the research paper byMohr (Working Paper 2019))
- Regional economics - The liberation and occupation of Europe by the Allies (incl. the research paper byBecker, Grosfeld, Grosjean, Voigtländerand Zhuravskaya (AER 2020))
- Economic growth after WWII - Bloc integration in the East and West (incl. the research paper byBianchi and Giorcelli (Working Paper 2018))
- From Bretton Woods to the Euro (this lecture will only be part of the examination if fully covered in class)

The instructor provides more information and/or exam examples during the course.

Examination relevant literature

The mandatory literature will be available for download via the course webpage before the start of the lecture. The lecturer does not expect that students read each paper in every detail, but a preparation before the respective courses is expected.



The supplementary literature will provide interested students more background information on economic history and long-run development. The literature is not relevant for the final exam. However, parts of the literature will be covered in the lectures. The content of the lectures is relevant for the final exam.

Relevant literature (mandatory reading list of research papers):

Becker, S. O., Grosfeld, I., Grosjean, P., Voigtländer, N., and E. Zhuravskaya (2020), "Forced migration and human capital: Evidence from post-WWII population transfers," *American Economic Review* 110(5), 1430-1463.

Bianchi, N., and M. Giorcelli (2018), "Reconstruction aid, public infrastructure, and economic development: The case of the Marshall Plan in Italy," Working Paper, UCLA.

Büchel, K., and S. Kyburz (2020), "Fast track to growth? Railway access, population growth and local displacement in 19th century Switzerland," *Journal of Economic Geography*, 20, 155-195.

Cantoni, D., Dittmar, J., and N. Yuchtman (2019): "Religious competition and reallocation: The political economy of secularization in the Protestant reformation," *The Quarterly Journal of Economics* 133(4), 2037-2096.

Doerr, S., Gissler, S., Peydró, J.-L., and H.-J. Voth (2020), "From Finance to Fascism," Working Paper, University of Zurich.

Eugster, B., Lalive, R., Steinhauer, A., and J. Zweimüller (2017), "Culture, Work attitudes, and job search: Evidence from the Swiss language border," *Journal of the European Economic Association*, 15(5), 1056-1100.

Hausman, J. K., Rhode, P. W., and J. F. Wieland (2019): "Recovery from the Great depression: The farm channel in spring 1933," *American Economic Review*, 109 (2), 427-472.

Juhász, R. (2018), "Temporary protection and technology adoption: Evidence from the Napoleonic Blockade," *American Economic Review* 108(11), 3339-3376.

Mohr, C. (2019), "Carrots and Sticks: Targeting the Opposition in an Autocratic Regime," Working Paper, LMU Munich.

Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW51) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 42 are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 34 (Thursday, 26 August 2021);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 42 (Monday, 18 October 2021);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 42 (Monday, 18 October 2021);

Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 45 (Monday, 8 November 2021).