How to answer the questions?
Chose one question, or make one up Type up your answers and turn it in before you leave the class
1) 1 Paragraph not more, rather than start with X thinks a,b,c or X says a,b,c. Start with I think a,b,c and why.
2) If you have a better question, problem, comment; go for it! (you might even want to email it to me so that I can put it on the schedule, but that is not critical)

1.a What are endowments and how did they affect decisions about institutions prior to 1800?
1.b Why were institutions decision made prior to 1800 persistent? Was it because the endowments and technologies remained constant or because of political issues?
1.c Is the large scale migration of American towards the South (from South Carolina to California) an example of a reversal of the Engerman and Sokolof Logic?

Jan 12 Day 1
2.a Why did us farmers move the center of wheat manufacturing in ever more hostile climates (west and north)? Should you not be moving into ever more favorable climates?
2.b Is the U.S. experience of the 19th century unique or the same kind of biological evolution takes places everywhere? Why?


2.c Fogel and Engerman argue that slave plantation were more productive than free farms. Why? Is there an input whose cost has not been properly counted?
2.d Do slave plantations derive their productivity advantages from organizational innovations that lead to changes in the division of labor, from the way labor is managed, or from something else?
2.e How different is the contrast between a slave plantation and a set of farms from that between a factory and the same workers organized as artisans. Why?


3a As markets get specialized, farmers tend to specialize their stock, what are the implications for the genetic stock and possibilities for further biological change.
3b What is the role of government in securing agriculture? Could it be done in other ways?
3c Why was it so difficult to get government intervention to limit the problems of animal diseases? Is this due to knowledge about biology, to political problems, or to technical limitation on what government can do?
**Jan 19 Day 1: Speed and Power**


1. In the paper Harley criticizes North emphasized organizational change in explaining productivity growth, Harley argues that those were not so important. Might it be that the adoption of the mechanical devices Harley emphasizes required organizational changes, why? Can you think of other examples where organizational change and capital deepening occur at the same time.

2. Is the kind of innovation Harley discusses a good example of factor biased innovation (where capital rich economies use more capital)? Why? In more recent time containerization has led to a massive decline in shipping cost. Is that process similar? (hint where are container ships built?)

**Jan 21 Day 2: Cotton (machines and workers)**

* Clark, Gregory, 1987 Why Isn't the Whole World Developed? Lessons from the Cotton Mills” *Journal of Economic History* (pp. 141-173)

1. How does the reading (Harley, Clark) help you think through issues of induced innovation, factor biased technical change, and the role of labor in technology? Is there something more important than relative prices that matters to economic progress?

2. To what extent is the issue Clark investigates related to the success or failure of outsourcing in the more contemporary economy?

3. If Clark is correct, then why did England's cotton textile industry disappear after 1930

**Jan 26 Day 1: Learning by markets**


a. How are factories making gains before the 1840s according to Sokoloff? Are there still processes of growth that look like this today, or have we become a machine based economy. (does growth always require capital deepening?)

b. How might economies be arranged to take advantage of markets. What kind of problems does agriculture pose in this respect. Are there some products where the effects Sokoloff details are more likely to be important than others? Why? Is the evidence in the paper consistent with your answer?

**Jan 28 Day 2: Education, Skills and Race**

a. In thinking of productivity how important is it to take into account general versus specific skills? How might employers acquire information about the best mix of workers? Does that matter?

b. Why did the US take the lead in providing high school education. Is it because of early advances in economic output, because of demand for manufacturing, or some other factor? Be sure to detail Goldin’s answer as well as yours. How is the geography of school as detailed by Goldin consistent or inconsistent with Engerman and Sokoloff’s broader picture?

Feb 2 Day 1: The Market for Ideas


I did not hand out questions

Feb 4 Day 2: Patents and the creation of knowledge


1. Are general purpose inventions more likely to diffuse in a world where firms are large or where firms are small? If there is no difference make sure to explain why?

2. To what extent is does the evidence in this paper suggest that the rise of general purpose technologies like electricity accelerated the shift in the invention patterns we saw in the first set of papers on patents? Why?

Feb 4 Lecture no reading

No questions!

Feb 11 Day 1: Banks


1. What are the benefits of competitive capital markets? How does competition come about if credit travels through networks. Does it fail?

2. The world bank and other international organization have repeatedly counseled countries to move their financial systems away from insider lending. Why does insider lending work in New England to promote growth? Are there other economic processes that rely heavily on closed groups?
Feb 16 Day 1: Mortgages and Crises


A. What causes crises in Mortgages according to Snowden? Did some of the same problems arise in 2005-2007?  
B. Why were these crises more severe on the frontier and with inter-regional lenders; have we learned something since the 1880s is the pattern similar this time (you can check by going to http://data.newyorkfed.org/creditconditions/)

Feb 18 Day 2 Watching over the Capitalists


A. Why are managers not likely to maximize shareholder value if left to their own devices according to DeLong? Is this problem still current? If so why are shareholders so passive?  
B. Does J-P Morgan add value? Or is it just that he picks the right firms (like Warren Buffet); or is it that he cartelizes industries? What do you think?

Feb 23 Day 1 Firms, law and markets

(*) Hilt, Eric, 2007, When did Ownership Separate from Control? Corporate Governance in the Early Nineteenth Century:. Journal of Economic History 68, no. 3 (September 2008): 645-

A: do market forces or changes in regulation explain the pattern of change in how firms get finance from outsiders?  
B: What is the interaction between technology and the dispersion ownership? Has it changed since the period examined by Hilt? (hint) if manufacturing firms were the high tech of the early 1800s

Feb 25 Day 2: Firms and Markets


A. the paper makes a big deal about minority oppression. Have we gotten better at dealing with these problems in the last 100 years or is this a flaw inherent in the corporation? Contrast your opinion with that of the authors.
B. Why are governments unable to create a structure of governance that solves both the minority oppression problem and the untimely dissolution problem?

March 2 Day 3: Capital markets


A. How important is institutional change in explaining the growth (or decline) of capital markets? Are there other factors that are more important (be clear on the institutions that your discuss)
B. Why do great reversals happen? Are changes in international trade the only source of major change?

March 4 Day 1: Income inequality


A. Given the evidence in the paper: how much stake you would put in the argument that one must keep taxes relatively low to encourage investment and to induce people to work hard?
B. Given the evidence in the paper: how much stake you would put in the argument that government taxation is essential to produce the public goods that are necessary for growth?

March 9 Day 2: Life and power


A. Given the evidence in the Paper would you think that we should continue to measure income inequality or is there a better way to do so.
B. To what extent can you reconcile the Piketty and Saez and Pope views of inequality. In what important ways are they consistent and in what ways are they divergent?