

International History

Année académique 2011/2012



Histoire Globale: Institutions et Développement/ Global History: Institutions and Development (1688-2000)

Spring - Course - 6 ECTS - HP027

Monday 10:15-12:00 (CV513)

Ce cours bilingue propose une introduction à l'étude des institutions modernes de gouvernement et de politique économique à partir d'une exploration historique principalement consacrée au développement de l'Ouest. On s'intéressera à la formation de la politique de croissance, de la politique commerciale, de la politique financière et de la politique monétaire. Le cours discute en particulier l'économie politique des problèmes de gouvernement. Parmi les sujets abordés: incitations et gouvernement, intégration des marchés de biens, formation des institutions macroéconomiques modernes, colonisation et développement, globalisation du capital, etc.

This is a bilingual course, which provides an introduction to the study of modern economic policy making institutions, from a historical exploration mainly focused to the study of the development in the West. We shall deal, in particular, with the making of growth policies, as well as the making of financial and monetary policies. The course pays special attention to the political economy of problems of governance: Among the topics: problems of incentives and government, commodity markets integration, making of modern macroeconomic institutions, colonization and development, globalizing capital, etc.

> PROFESSOR

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Calendrier académique 2011 | 2012, Semestre de Printemps

- Lundi 20 février : début des cours
- Vendredi 6 avril à dimanche 15 avril : vacances de Pâques
- Vendredi 1er juin : fin des cours

Students' Assessment

- Participation (20%)
- Paper presentations and Policy Briefs (30%) (assignment adjusted to number of students attending course so as to keep course lively).
- Exam (50%)

General Organization of the Course

February 20, 2012.

1. General introduction, distribution of meetings and mostly Professor Flandreau's digressions on:

- Topic
- Methods
- Organization
- Students' background and goals
- Course's goals

February 27, 2012

2. The Economist and the Prince: Development as the pursuit of war by other means.

- William Petty, *Political Arithmetick*, 1690, 3rd ed.
<http://www.marxists.org/reference/subject/economics/petty/>
- Walt W. Rostow, *The stages of economic growth: a non-communist manifesto*, 1960.

⇒ Background: Krugman, Paul, "Myth of Asia's Miracle", *Foreign Affairs*, November/December 1994.

March 5, 2012

3. Institutions and Development.


- Stephan R. Epstein, *Freedom and growth: the rise of states and markets in Europe, 1300-1750*, "Introduction, States and Markets, p. 1-11."
- David Stasavage, "Cities, Constitutions, and Sovereign Borrowing in Europe, 1274-1785", *International Organization*, Vol. 61, No. 3 (Summer, 2007), pp. 489-525.
- Schultz, K. A., and B. R. Weingast. "The Democratic Advantage: Institutional Foundations of Financial Power in International Competition." *International Organization*, vol. 57, No. 1, (Winter 2003), pp. 3-42

⇒ Background: North Douglass C., Weingast Barry R., « Constitutions and Commitments: the Evolution of Institutions Governing Public Choice in Seventeenth Century England », *The Journal of Economic History*, XLIX, 4, December 1989, pp. 803-832.

March 12, 2012

4. Capitalism and property rights

- Hernando de Soto, *The mystery of capital: Why Capitalism triumphs in the West and fails everywhere else*, New York: Basic Books, 2000 (Traduction française : *Le mystère du capital : pourquoi le capitalisme triomphe en Occident et échoue partout ailleurs*, Paris: Flammarion, 2005)
- Naomi Lamoreaux, "The Mystery of Property Rights: A U.S. Perspective" Mimeo, 2011, Yale University.

⇒  Further Reading, Braudel, Fernand, "La production ou le capitalisme chez les autres" in *Civilisation Matérielle, Volume 2*, pp. 267-440 in Livre de poche, 1st edition, Paris, Armand Colin 1979.

March 19, 2012

5. Leviathan the Godfather

- D. North, J. Wallis and B. Weingast, *Violence and Social Orders*, New York: Cambridge University Press, 2009.
 - Hernando de Soto, *The mystery of capital: Why Capitalism triumphs in the West and fails everywhere else*, New York: Basic Books, 2000 (Traduction française : Le mystère du capital : pourquoi le capitalisme triomphe en Occident et échoue partout ailleurs)
- ⇒ Background: Olson, Mancur, *Power and Prosperity, Outgrowing Communist and Capitalist Dictators*. New York: Basic Books, 2000.

March 26, 2012

6. The role of culture: Around McCloskey

- McCloskey, Deirdre, *Bourgeois Virtues: Ethics for an Age of Commerce*, Chicago: University of Chicago Press, 2006.
 - McCloskey, Deirdre, *Bourgeois Dignity: Why Economics Can't Explain the Modern World*, Chicago: University of Chicago Press, 2010.
- ⇒ Background: Weber Max, « Confession et stratification sociale », in *L'éthique protestante et l'esprit du capitalisme*, Pocket, 1964, pp. 29-42 (students will look up English or German language edition as they shall like)

April 2, 2012

7. Trade Policy: Identifying Trends?

- Todd, David, "Le système prohibitif 1814-1822", "La guerre des douanes, 1814-1824", in *L'identité économique de la France*, Paris : Grasset, 2008.
 - John Gallagher and Ronald Robinson, "The Imperialism of Free Trade," *The Economic History Review*, Second series, Vol. VI, no. 1 (1953)
 - List, Friedrich, « L'économie politique et l'économie cosmopolite », in *Système national d'économie politique*, Gallimard, 1998, pp. 233-444. (texte de la 2e ed. française, Capelle, 1857).
- ⇒ Background: Flandreau Marc, Accominotti Olivier, "Bilateral Treaties and the Most-Favored-Nation Clause. The Myth of Trade Liberalization in the 19th Century", *World Politics*, 2008, 60, 147-88.


April 16, 2012

8. Trade Policy and the Welfare State?

- Marx Karl, Engels Friedrich, *Manifeste du Parti Communiste*, Ed. Mille et une nuits, 1994, pp. 11-63 (1ère ed. 1848).
 - Lindert Peter, « Poor Relief before 1880 », in *Growing Public: Social Spending and Economic Growth since the 18th Century*, Cambridge, 2005, pp. 39-66.
 - Michael Huberman, 2008. "Ticket to Trade: Belgian Labour and Globalization Before 1914." *Economic History Review* 61: 326-59.
- ⇒ Background: Jeffrey G Williamson, "The impact of the Corn Laws just prior to repeal" *Explorations in Economic History*, Volume 27, Issue 2, April 1990, Pages 123–156

April 23, 2012

9. European Imperialism: Profitable?

- Lénine, Vladimir I., *L'impérialisme, stade suprême du capitalisme*, Paris, Editions sociales, 1975, pp. 90-129. (English title: *Imperialism, Supreme stage of capitalism*)
- Cain and Hopkins, "The problem and the context", pp. 3-52 de *British Imperialism Vol. 1, Innovation and Expansion, 1688-1914*, 1993.
- ⇒ *Group research on recent findings on profitability of Empire*
- ⇒  Further Reading, Davis Lance E., Huttenback Robert A., *Mammon and the Pursuit of Empire: The Economics of British Imperialism*, Cambridge University Press, 1988, pp. 30-57.

April 30, 2012

10. Colonial Development: The Good and Bad Institutions of the Metropolis, or the Ugly?

- Acemoglu, Daron, Simon Johnson & James A. Robinson, 2001, "The colonial origins of comparative development", *American Economic Review*, vol. 91, n° 5, pp. 1369-1401.
- Barber, William J. "The climax of seventeenth century development", in *British economic thought and India, 1600-1858*, Oxford: Clarendon Press 1975. Chapter 2, Problems of Commercial Maturity pp. 28-55 (focus on issue of monopoly of trading companies).
- ⇒ Background: Aceminotti, Olivier, Marc Flandreau, Riad Rezzik and Frédéric Zumer, 2009, "Black Man's Burden, White Man's Welfare: Control, Devolution and Development in the British Empire 1880-1914", *European Review of Economic History*, (2010), No. 14, pp. 47-70.

May 7, 2012

11. Morals of Finance

- Déclaration de berne, *Swiss Trading SA. La Suisse, le négoce et la malédiction des matières premières*, 2011.
- W. M. Matthew, "The start of the Guano trade 1840-42", pp. 22-50, in *The House of Gibbs and the Peruvian Guano Monopoly*, London: Royal Historical Society.
- ⇒ Background:
 - Raymond De Roover, « La lettre de change et le développement du marché monétaire (14e-15e s.) », in *L'Evolution de la Lettre de Change XIVe-XVIIIe siècles*, Colin, 1953, pp. 43-64
 - Flandreau, M., Galimard, C., Jobst, C., and Nogues-Marco, P. (2009b): "The Bell Jar: Commercial Interest Rates between Two Revolutions, 1688-1789", in Jeremy Atack and Larry Neal (ed.), *The Origins and Development of Financial Markets and Institutions. From the Seventeenth Century to the Present*, Cambridge University Press, Cambridge, pp. 161-208.

May 14, 2012

12. Reputation, conditionality and the international financial system

- Flandreau, Marc and Juan Flores, "Bonds and Brands", *The Journal of Economic History*, Vol. 69, No. 3, (September 2009), pp. 646-84.
- Flandreau, Marc and Juan Flores, "The Peaceful Conspiracy: Foreign Government and Conditionality Lending during the Pax Britannica", Forthcoming, *International Organization*

May 21, 2012

13. Money and Monetary Policy

- Flandreau, Marc, « Pillars of Globalization: A history of monetary policy targets, 1797-1997 », 2008, in A. Beyer and L. Reichlin, (eds.) *The role of money - money and monetary policy in the 21st century*, Frankfurt: ECB, pp. 208-243.
- Bignon, Vincent, Marc Flandreau, and Stefano Ugolini (2009), “Bagehot for Beginners: The Making of Lending of Last Resort Operations in the Mid-19th Century”, *Economic History Review*, 2011.

May 28, 2012

14. Exam