

**Introduction to Economic History :  
Capital, Inequality, Growth**

*(Master APE & PPD)*

*(EHESS & Paris School of Economics)*

Thomas Piketty

Academic year 2017-2018

**Syllabus & Reading list**

*(check [on line](#) for updated version)*

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**(check on-line for updated versions)**

- [“Introduction to Economic History”](#) is a compulsory first-year master course and can also be attended as an optional second-year master course. The objective is to present to a general introduction to economic history, with special emphasis on the interaction between capital accumulation, the global distribution of income and wealth, and growth.

- Students wishing to specialize in economic history or related subjects are also strongly encouraged to attend the optional second-year master course "[Advanced Economic History](#)" (taught jointly by F. Alvaredo, J. Bourdieu, D. Cogneau, L. Kesztenbaum, E. Monnet, T. Piketty).
- Students with special interest in the history and theory of optimal taxation and redistribution or wishing to specialize in public economics are also encouraged to attend the optional second-year master course "[Public Economics](#)" (taught jointly by A. Bozio, J. Grenet, T. Piketty).

- The objective of the present course is to present an **introduction to economic history**, with special emphasis on the interaction between capital accumulation, inequality regimes and growth. Issues will include the following.
- **How did the world distribution of output, income and wealth - both between and within countries - evolve in the long run, and how can we account for these changes?** What was the interaction with the global ownership and power structure, colonization and the state formation process? How do inequality regimes and political systems jointly evolve over time? What is the interaction between rising inequality and financial crisis, and how and why do the 1929 and 2008 recessions differ?

- Question: **Can we properly understand economic issues with representative-agent formal economic models?**
- Answer: **No.** We need to study history, society, and institutions: legal system, welfare state, taxation, etc. And in order to understand institutions and state formation, we need to study property, inequality and beliefs systems about the fair economy & the just society.
- **economic history cannot be studied separately from social, political, cultural history & from moral issues**
- mathematical models can be useful, but only if they are used with parsimony (only when we really need them)
- economics/political economy/economic history belong to the social sciences, & should not try to escape from them

- In case you are interested to do research in economic history, public economics or related areas, you can have a look at this list of [master thesis](#) and [PhD dissertations](#) defended in recent years
- Also have a look at the list of members of the [Centre d'histoire économique et sociale François-Simiand](#) and their research topics
- And have a look at the [World Inequality Lab](#): WIL maintains the World Wealth and Income Database ([WID.world](#)), an historical database on income, wealth and inequality that we will often use in this course. On-going, collective project: you are most welcome to participate!

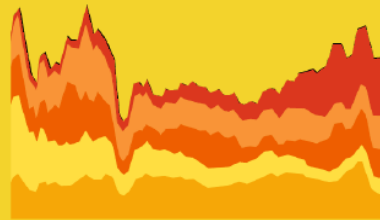


## WORLD VIEW



Compare inequality between countries  
on an interactive world map

## COUNTRY GRAPHS



Follow the evolution of inequality within  
countries with user-friendly graphs

## DATA TABLES

Download our open-access datasets

THE SOURCE FOR GLOBAL INEQUALITY DATA



- The course is organized in 8 lectures of 3 hours each
- To validate the course, students are required :
  - (1) to attend and actively participate to all classes;
  - (2) to take the exam (the exam will require a good working knowledge of the material included in the lecture slides and in the compulsory \* readings)(examples of past exams are [here](#))

# A quick roadmap of the lectures

- Lectures 1-2: Income, capital and growth in the long run: how did rich countries become rich?  
(Tuesday September 5<sup>th</sup> & 12<sup>th</sup> 2017)
- Lecture 3: The dynamics of capital accumulation: private vs public capital and the Great Transformation (Tuesday September 19<sup>th</sup> 2017)
- Lecture 4: Inequality in the long run: labor income vs capital ownership  
(Tuesday September 26<sup>th</sup> 2017)

- **Lecture 5: Slavery, forced labor and political rights in historical perspective** (Tuesday October 3<sup>rd</sup> 2017)
- **Lecture 6: Historical demography, family structures and the population transition** (Tuesday October 10<sup>th</sup> 2017)
- **Lecture 7: Money, finance and crisis in historical perspective** (Tuesday October 17<sup>th</sup> 2017)
- **Lecture 8: The rise of the fiscal, social and capital state** (Tuesday October 24<sup>th</sup> 2017)

# How to use the reading list

- The lecture slides contain many references (which themselves include more extensive bibliographies). Aim is to provide an introduction to the existing historical literature for students who plan to specialize in these areas. **You are not expected to read everything!**
- You should at least read the **“compulsory readings” (denoted with a \*, typically two-three readings per lecture)**, as well as a selection of books and articles based on your own tastes. **But please read!**
- **The exam will be based upon a good working knowledge of all the material that is presented in the lecture slides and in the compulsory readings.** Please ask during the classes if there is anything unclear in this material.

# Reading list: general references

There is no textbook for this course. To some extent I will follow the following book (but many topics are not well covered in this book) :

- T. Piketty, [Le capital au 21<sup>e</sup> siècle](#), Seuil 2013 ([Intro-Chap.1](#)) ([Capital in the 21<sup>st</sup> century](#), Harvard UP 2014) ([Intro-Chap.1](#))

I also recommend the following general references:

- F. Braudel, *Civilisation matérielle, économie et capitalisme, 15<sup>e</sup>-18<sup>e</sup> siècles*, 1979 (3 vol.) (*Civilisation and capitalism, 15<sup>th</sup>-18<sup>th</sup> centuries*, 1981-1984)
- K. Pomeranz, *The Great Divergence - China, Europe and the Making of the Modern World Economy*, Princeton UP 2000 ([Intro.-Chap.5-6](#))
- A. Maddison, [The World Economy - A Millennial Perspective](#), 2001
- P. Lindert, *Growing Public - Social Spending and Economic Growth since the 18<sup>th</sup> Century*, Oxford UP 2004
- J. Goody, *The Theft of History*, Cambridge UP 2006

# Reading list

This reading list only includes the main references. **Compulsory readings are denoted with \***. More detailed references are provided in the lecture slides.

## Lectures 1-2: Income, capital and growth in the long run: how did rich countries become rich?

These two lectures present basic facts about world growth since the Industrial Revolution and discuss the main theories of comparative development (i.e. why did some countries develop and not others).

- \* [Capital...](#), 2014, [chap.1-2](#)
- \* A. Maddison, [The World Economy...](#), 2001, chap.1-3
- \* Pomeranz K., *The Great Divergence: China, Europe, and the Making of the Modern World*, Princeton UP 2000, [Intro., chap.5-6](#)
- Pomeranz, K., “Political Economy and Ecology on the Eve of Industrialization. Europe, China & the Global Conjunction”, [AHR 2002](#)

## Lecture 3: The dynamics of capital accumulation: private vs public capital and the Great Transformation

This lecture describes the long-run structural evolution of capital accumulation. In particular, I analyze the “Great Transformation” from a pre-1914 private-property regime to a post-1945 mixed-property regime and then a new private regime since 1980.

- \* [Capital...](#), 2014, [chap.3-6](#)
- \* T. Piketty, G. Zucman, “Capital is Back: Wealth-Income Ratios in Rich Countries, 1700-2010”, [QJE 2014](#) ([data appendix](#)) ([database](#))
- K. Polanyi, *The Great Transformation: The Political and Economic Origins of our Time*, 1944, chap.1-2

## Lecture 4: Inequality in the long-run: labor income vs capital ownership

This lecture analyzes the long run evolution of income inequality across countries since the Industrial Revolution. In particular, I stress the differences between the processes involving the inequality of labor income and the concentration of capital ownership and capital income.

- \* [Capital...](#), 2014, [chap.7-12](#)
- \* T. Piketty, E. Saez, “Inequality in the long run”, [Science 2014](#)
- \* S. Kuznets, « Economic growth and income inequality », [AER 1955](#); *Shares of upper income groups in income and savings*, [1953](#)
- A. Atkinson, A.Harrison, *Distribution of personal wealth in Britain*, [1978](#)
- C. Goldin, L. Katz, *The Race between Education and Technology. The Evolution of US Wage Differentials 1890-2005*, HUP 2008, [chap.8](#)
- T. Piketty, G. Postel-Vinay, J.L. Rosenthal, « Wealth Concentration in a Developing Economy: Paris and France, 1807-1994 », [AER 2006](#)



## Lecture 5: Slavery, forced labor and political rights in historical perspective

This lecture analyzes the evolution of inequality and power structures in the very long run. I stress the central role played by slavery, forced labor and other coercive and status-based inequality systems (including ternary societies, castes systems, censitory societies, and societies with limited mobility rights).

- \* [Capital...](#), chap.4
- \* A. Stanziani “Beyond colonialism: servants, wage earners and indentured migrants in rural France and on Reunion Island (c. 1750–1900)”, [Labor History 2013](#)
- M. Finley, *Ancient Slavery and Modern Ideology*, 1979, chap.1
- R. Blackburn, *The Making of New World Slavery. From the Baroque to the Modern, 1492-1800*, Verso 1997
- M. Zilfi, *Women and Slavery in Late Ottoman Empire*, CUP 2012

## Lecture 6: Historical demography, family structures and the population transition

This lecture provides an introduction to population history, long run demographic trends, fertility transition and the evolution of family structures and gender inequality across societies.

- \* [Capital...](#), chap.1-2
- \* T. Guinnane, “The Historical Fertility Transition: A Guide for Economists”, [JEL 2011](#)
- D. Le Bris, “Family Characteristics and Economic Development”, [WP 2016 \(data\)](#)
- H. Kleven, C. Landais, “Gender Inequality and Economic Development: Fertility, Education and Norms », [Economica 2017](#)

## [Lecture 7: Money, finance and crisis in historical perspective](#)

This lectures presents an introduction to the long run evolution of monetary and financial systems and the history of economic and financial crisis, with special emphasis on the comparison between the Great Depression of 1929 and the Great Recession of 2008.

- \* **Capital..., chap.5, 16**
- \* **N. Ferguson, A. Schaab, M. Schularick, « Central Bank Balance Sheets: Expansion and Reduction since 1900 », [WP 2015 \(Database\)](#)**
- \* **L. Rachel, T. Smith, “Secular drivers of the global real interest rate », [WP 2015](#)**
- M. Friedman and A. J. Schwartz, *A Monetary History of the United States, 1867-1960*, Princeton UP, 1963
- C. M. Reinhart and K.S. Rogoff, *This Time Is Different: Eight Centuries of Financial Folly*. Princeton UP, 2009

## [Lecture 8: The rise of the fiscal, social and capital state](#)

This lecture presents an introduction to the history of government regulation, legal and fiscal systems. In particular I stress the rise of the modern fiscal, social and capital state and the interaction with the political system.

- \* **Capital...**, [chap. 13-16](#)

- \* **P. Lindert, *Growing Public- Social Spending and Economic Growth since the 18<sup>th</sup> Century*, OUP 2004, chap.1-3**

- G. Esping Andersen, *The Three Worlds of Welfare Capitalism*, 1990

- J. Beckert, *Inherited wealth*, PUP 2008

- A. Bonica, H. Rosenthal, « Why Hasn't Democracy Slowed Rising Inequality », [JEP 2013](#)

- F. Cooper, *Citizenship between Empire and Nation: Remaking France and French Africa, 1945-1960*, PUP 2014