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In this issue we have:

1. The Distribution of Congressional Spending During the American Revolution, 1775-1780: The Problem of Geographic Balance

Farley Grubb

2. Habakkuk revisited: A history friendly model of "American and British technology in the nineteenth century"

Roberto Fontana; Marco Guerzoni; Alessandro Nuvolari

3. War and Endogenous Democracy

Ticchi, Davide; Vindigni, Andrea

4. The Cost of Property Rights: Establishing Institutions on the Philippine Frontier Under American Rule, 1898-1918

Lakshmi Iyer; Noel Maurer

5. "How Similar to South-Eastern Europe were the Islands of Cyprus and Malta in terms of Agricultural Output and Credit? Evidence during the Interwar Period"

Apostolides, A

6. Banking in transition countries

Bonin, John; Hasan, Iftekhar; Wachtel, Paul

7. Real Origins of the Great Depression: Monopoly Power, Unions and the American Business Cycle in the 1920s

Monique Ebell; Albrecht Ritschl

8. Re-inventing New Zealand: Institutions Output and Patents 1870-1939

David Greasley; Les Oxley

9. The Birth of Brand: 4000 Years of Branding History

Moore, Karl; Reid, Susan

10. Issues of Selection in Human Survivorship: A Theory of Mortality Change from the Mid-Eighteenth to the Early Twenty First Century

Hans Oluf Hansen

11. The Big March: Migratory Flows after the Partition of India

Bharadwaj, Prashant; Khwaja, Asim Ijaz; Mian, Atif

12. Obstacles To Implementing Lessons from the 1997-1998 East Asian Crises

Jomo Kwame Sundaram

Contents

1. The Distribution of Congressional Spending During the American Revolution, 1775-1780: The Problem of Geographic Balance

Date: 2008-08

By: Farley Grubb

URL: <http://d.repec.org/n?u=RePEc:nbr:nberwo:14267&r=his>

Resources to fight the War for Independence from Great Britain (1775-1783) were to be provided to the U.S. Congress by the individual states based on each state's population share in the united colonies. Congressional spending, however, largely flowed to where the theater of war was located. Thus a geographic imbalance in revenue and spending arose. Because much of the spending was through issuing paper money, geographic variation in inflation as well as in general economic activity resulted. This in turn affected the relative strength of each state's attachment to the union with ramifications on maintaining political unity.

JEL: E62 H60 H77 N11 N41

2. Habakkuk revisited: A history friendly model of "American and British technology in the nineteenth century"

Date: 2008-08-22

By: Roberto Fontana (Universita degli Studi di Pavia and CESPRI - Bocconi University, Italy)

Marco Guerzoni (GSBC-EIC, Friedrich Schiller UnviersitÄt, Germany)

Alessandro Nuvolari (ECIS - Eindhoven University of Technology, The Netherlands)

URL: <http://d.repec.org/n?u=RePEc:jrp:jrpwrp:2008-064&r=his>

This paper presents a History Friendly Model which addresses the issue of the bifurcation in "technological styles" between US and Britain during the nineteenth century. The model aims at gaining a better understanding of the micro-dynamics that gave rise to different patterns of innovation in the two countries. In particular, we suggest that different demand patterns might be an explanation for the faster diffusion of capital intensive technologies in the US.

Simulation results confirm this hypothesis, although only when we jointly control for the role of technological opportunities.

Keywords: Innovation, Demand, History Friendly Model

JEL: O3 N0 L6

3. War and Endogenous Democracy

Date: 2007-12

By: Ticchi, Davide (U of Urbino)

Vindigni, Andrea (Princeton U)

URL: <http://d.repec.org/n?u=RePEc:ecl:prirpe:03-10-2008&r=his>

Many episodes of extension of franchise in the 19th and especially in the 20th century occurred during or in the aftermath of major wars. Motivated by this fact, we offer a theory of political transitions which focuses on the impact of international conflicts on domestic political institutions. We argue that mass-armies, which appeared in Europe after the French Revolution, are an effective military organization only if the conscripted citizens are willing to put effort into fighting wars, which in turn depends on the economic incentives that are provided to them. The need to provide such incentives implies that an oligarchy adopting a mass-army may voluntarily decide to promise some amount of income redistribution to its citizens, conditionally on satisfactory performance as soldiers. When the elite cannot credibly commit to provide an incentive-compatible redistribution, they may cope with the moral hazard problem of the citizen-soldiers only by relinquishing political power to them through the extension of franchise. This is because democracy always implements a highly redistributive fiscal policy, which makes fighting hard incentive-compatible for the citizen-soldiers. We show that a transition to democracy is more likely to occur when the external threat faced by an incumbent oligarchy is in some sense intermediate. A very high external threat allows the elite to make credible commitments of future income redistribution in favor of the citizens, while a limited external threat makes it optimal for the elite

not to make any (economic or political) concession to the masses. Some historical evidence consistent with our theory is also provided.

JEL: D72

4. The Cost of Property Rights: Establishing Institutions on the Philippine Frontier Under American Rule, 1898-1918

Date: 2008-08

By: Lakshmi Iyer (Harvard Business School, Business, Government and the International Economy Unit)

Noel Maurer (Harvard Business School, Business, Government and the International Economy Unit)

URL: <http://d.repec.org/n?u=RePEc:hbs:wpaper:09-023&r=his>

We examine three reforms to property rights introduced by the United States in the Philippines in the early 20th century: the redistribution of large estates to their tenants, the creation of a system of secure land titles, and a homestead program to encourage cultivation of public lands. During the first phase of American occupation (1898-1918), we find that the progress of implementing these reforms was very slow. As a consequence, tenure insecurity increased over this period, and the distribution of farm sizes remained extremely unequal. We identify two primary causes for the slow progress of reform: first, the high cost of implementing these programs was a major factor in reducing take-up. On the other hand, the government was reluctant to evict delinquent or informal cultivators, especially on public lands. This reduced the costs of tenure insecurity. Political constraints prevented the government from subsidizing land reforms to a greater degree.

5. “How Similar to South-Eastern Europe were the Islands of Cyprus and Malta in terms of Agricultural Output and Credit? Evidence during the Interwar Period”

Date: 2008-03

By: Apostolides, A

URL: <http://d.repec.org/n?u=RePEc:pra:mprapa:9968&r=his>

The paper is part of an ongoing process of estimating the GDP of Cyprus and Malta for the interwar period. The islands of Cyprus and Malta have always been considered as similar economically to other South-Eastern European states, despite the lack of historical evidence to prove it. The paper uses recently compiled primary sector output estimates for the interwar period (1921 – 1938) to evaluate that the economic structure of the islands was different from each other, as well as from other South-Eastern European states. The output of the agricultural sector per capita indicated that the islands were not keeping up to other Southern-European States. Recovery of the primary sector in Cyprus came from the rapid expansion of copper mining and not from the growth of agriculture. The different growth trajectory of the islands lies partly to their differing economic structure. Malta's economy was exceptional due to the high urbanisation of the island, leading to the economy's dependency on the presence of the British navy. Cyprus shared the South-Eastern European problems of high population growth rates, fragmented land holdings, and poor rural credit institutions which combined in such a way to prevent a shift towards other agricultural products. The inefficiency of the credit system in Cyprus was particularly important in checking the agricultural sector's growth.

Keywords: Cyprus; Malta; Depression; Rural Credit; Historical National Accounts; South Eastern Europe

JEL: E01 N34 N14

6. Banking in transition countries

Date: 2008-08-27

By: Bonin, John (BOFIT)

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Wachtel, Paul (BOFIT)

Presidente: Dr. Luis Jáuregui Frías (Instituto Mora)

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URL: http://d.repec.org/n?u=RePEc:hhs:bofitp:2008_012&r=his

Modern banking institutions were virtually non-existent in the planned economies of central Europe and the former Soviet Union. In the early transition period, banking sectors began to develop during several years of macroeconomic decline and turbulence accompanied by repeated bank crises. However, governments in many transition countries learned from these tumultuous experiences and eventually dealt successfully with the accumulated bad loans and lack of strong bank regulation. In addition, rapid progress in bank privatization and consolidation took place in the late 1990s and early 2000s, usually with the participation of foreign banks. By 2005, the banking sectors in many transition countries had developed sufficiently to provide a wide range of services with solid bank performance. Recently, banks have switched their focus from lending to enterprises in a somewhat underdeveloped institutional environment to new collateralized lending to households, which accounts for much of the recent growth of credit in many transition countries.

Keywords: transition banking; bank privatization; foreign banks; bank regulation; credit growth

JEL: G21 P30 P34 P52

7. Real Origins of the Great Depression: Monopoly Power, Unions and the American Business Cycle in the 1920s

Date: 2008-06

By: Monique Ebell

Albrecht Ritschl

URL: <http://d.repec.org/n?u=RePEc:cep:cepdps:dp0876&r=his>

We attempt to explain the severe 1920-21 recession, the roaring 1920s boom, and the slide into the Great Depression after 1929 in a unified framework. The model combines monopolistic product market competition with search frictions in the labor market, allowing

for both individual and collective wage bargaining. We attribute the extraordinary macroeconomic and financial volatility of this period to two factors: Shifts in the wage bargaining regime and in the degree of monopoly power in the economy. A shift from individual to collective bargaining presents as a recession, involving declines in output and asset values, and increases in unemployment and real wages. The pro-union provisions of the Clayton Act of 1914 facilitated the rise of collective bargaining after World War I, leading to the asset price crash and recession of 1920-21. A series of tough anti-union Supreme Court decisions in late 1921 induced a shift back to individual bargaining, leading the economy out of the recession. This, coupled with the lax anti-trust enforcement of the Coolidge and Hoover administrations enabled a major rise in corporate profits and stock market valuations throughout the 1920s. Landmark pro-union court decisions in the late 1920s, as well as political pressure on firms to adopt the welfare capitalism model of high wages, led to collapsing profit expectations, contributing substantially to the stock market crash. We model the onset of the Great Depression as an equilibrium switch from individual wage bargaining to (actual or mimicked) collective wage bargaining. The general equilibrium effects of this regime change are consistent with large decreases in output, employment, and stock prices and moderate increases in real wages.

Keywords: Trade unions, collective bargaining, Great Depression

JEL: E24 E27 J51 J64 N12 N22

8. Re-inventing New Zealand: Institutions Output and Patents 1870-1939

Date: 2008-08-01

By: David Greasley

Les Oxley (University of Canterbury)

URL: <http://d.repec.org/n?u=RePEc:cvt:econwp:08/15&r=his>

New estimates of commodity output and patenting are used to explore New Zealand's transition from extensive to intensive growth. By investigating the cointegrating and causal relationships among the output of 25 industries we show that a small number of common trends shaped the contours of her economic development. In turn the leading industries were driven by knowledge growth as reflected in patents statistics. New Zealand's distinctive institutions and human capital fostered the knowledge which transformed the farming landscape, promoted wider land ownership, and created a production system which integrated farm and factory to promote intensive growth.

Keywords: Growth; Institutions; Patents; Common trends; Commodity output, New Zealand Research and Development

JEL: O31 O43 O14 N17 N77

9. The Birth of Brand: 4000 Years of Branding History

Date: 2008

By: Moore, Karl

Reid, Susan

URL: <http://d.repec.org/n?u=RePEc:pra:mprapa:10169&r=his>

This paper seeks to show that brands are as old as civilization. It derives evidence of branding, in various forms, from important historical periods beginning 2250 BCE in the Indus Valley through to 300 BCE Greece. This evidence is compared with modern research directed toward developing a meaning of "brand". We observe a gradual transition from a more utilitarian provision of information regarding origins and quality to the addition of more complex brand image characteristics over time. Including status/power, added value and finally, the development of brand personality.

Keywords: brand; proto-brand; ancient world; brand personality

JEL: L2 A1 D1

10. Issues of Selection in Human Survivorship: A Theory of Mortality Change from the Mid-Eighteenth to the Early Twenty First Century

Date: 2008-08

By: Hans Oluf Hansen (Department of Economics, University of Copenhagen)

URL: <http://d.repec.org/n?u=RePEc:kud:kuiedp:0818&r=his>

Is variation in empirical mortality across populations consistent with a hypothesis of selection? To examine this proposition an extended frailty mortality model is put forward; incorporating biological frailty; a common non-parametric hazard, joint for men and women, representing endogenous mortality in terms of degenerative aging (senescence); and environmental influence on survivorship. As the model is fitted to empirical cohort mortality exhibiting extreme variation, biological aging is identified up to a multiplicative factor. Mortality of elected cohorts born in Sweden, Denmark, and Iceland during the past 250 years and in Japan any ten years between 1950 and 1990 is approached appropriately by the model. Reduced natural selection may account for a substantial part of the empirical mortality change in the course of the demographic transition. Survivorship in the late nineteenth and the twentieth century ties selection to major medical advances and rapid recent mortality decline, probably with consequences for future health and survivorship.

Keywords: biodemography; congenital frailty; selection; heterogeneity; cohort mortality; stochastic micro-simulation; longevity

JEL: C6 C8 I12 J1

11. The Big March: Migratory Flows after the Partition of India

Date: 2008-06

By: Bharadwaj, Prashant (Yale U)

Khwaja, Asim Ijaz (Harvard U)

Mian, Atif (U of Chicago)

URL: <http://d.repec.org/n?u=RePEc:ecl:harjfk:rwp08-029&r=his>

The partition of India in 1947 along ostensibly religious lines into India, Pakistan, and what eventually became Bangladesh resulted in one of the largest and most rapid migrations in human history. We compile district level census data from archives to quantify the scale of migratory flows across the sub-continent. We estimate total migratory inflows of 14.5 million and outflows of 17.9 million, implying 3.4 million "missing" people. We also uncover a substantial degree of regional variability. Flows were much larger along the western border, higher in cities and areas close to the border, and dependent heavily on the size of the "minority" religious group. The migratory flows also display a "relative replacement effect" with in-migrants moving to places that saw greater out-migration.

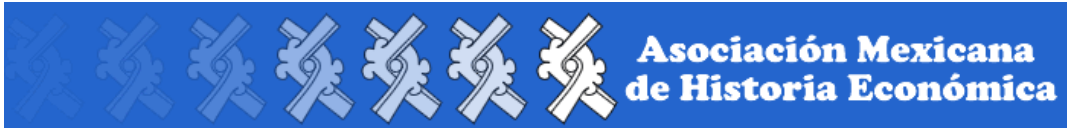
12. Obstacles To Implementing Lessons from the 1997-1998 East Asian Crises

Date: 2008-08

By: Jomo Kwame Sundaram

URL: <http://d.repec.org/n?u=RePEc:une:wpaper:66&r=his>

Various different and sometimes contradictory lessons have been drawn from the 1997-1998 East Asian crisis experiences. The ideological implications and political differences involved have complicated the possibility of drawing shared lessons from the crises. The seeming calm and increased growth in most developing countries in the period since 2001 have also undermined the possibility of far-reaching developmental reforms following the experience. Perhaps most importantly, the vested interests supporting existing international financial governance arrangements continue to impede the possibility of implementing lessons drawn from the experience. Such interests are generally supported by conventional wisdom and reinforced by the financial media.



Keywords: Asian crises, currency crises

JEL: F32 F34 F53