

Master seminar in Economic History: "Historical Financial Research" (in English)

(9 ECTS)

Literature: Your own research, please perform a keyword search with EconLit (see below).
Please look also on our internet pages for related studies

Meetings:

- **Introductory meeting:** at the beginning of the semester: see Alma and our homepage. Via zoom.
- **Compact seminar:** in January. *Dates, hours and room:* see Alma and our homepage. Small groups. Presence will be limited to the speaker, the teacher and as many students as are willing to participate and fit into the room according to the safety distance. The other students can participate via zoom and will only attend their own presentation (which can also be held as a zoom presentation if desired).
- Additional part: practical analysis (will be announced)
- Office hours Thursdays, 16:15 (please send email the day before)

Interest in applied statistical analysis techniques and the willingness to deal (either on your own or with our help) with **advanced methods (SPSS and Stata)** are essential for successful participation. In doing so, the you will acquire **important skills** that can be very useful in their **future career, be in the university, international organization, or private firms.**

Credit Points: 9 ECTS

Requirements:

- Term paper (12-15 pages text, plus figures and tables)
- Term paper presentation (20 minutes)
- Questions to each other presentation (please write down during the presentation, not thereafter)

- Second term paper (4 pages), freely chosen among the other topics (or a sub-topic of those topics)

The **second term paper** is an additional paper on one of the topics of the Master seminar (the topic should not be closely related to the topic of the first term paper). The aim of this second paper is that you develop a broader knowledge of the seminar topic. The second paper will be turned in with the main paper and there will be no presentation of this short paper). It is an independent short essay based on at least one scholarly research paper. There are no additional rules for this second paper.

Technicalities: we are currently mainly using **Powerpoint 2016** and Stata.

Registration and Distribution of the Topics:

- please mention your topic preferences 1, 2, and 3 (see the topic below) in the online form of the registration. Only if this does not work, send it to Joerg.baten@uni-tuebingen.de
- The topics will be assigned in chronological order, according to the incoming registrations.
- Each topic can be assigned three times maximum.
- The schedule of presentation during the two days of the compact seminar is **following the order of the topics** in the list below.
- Before registration: Please consider if you really want to attend this seminar, **have enough time** and if you are able to **perform own regressions**. De-registration causes unnecessary transactions costs and we prefer to invest our time in very good teaching than to waste it with such issues! Thank you.
- so far, we have been able to avoid a selection procedure, so that each student who is interested and eligible can participate; the Credit-Point-summary is meant for our information about your previous knowledge.
- The research for the term paper should be completed before the compact semina. The work itself can be improved afterwards up until **March 15th of the current year, the latest date to send in the two term papers via email attachment** (PDF-format). The text of the paper should not be longer than 15 pages or shorter than 12 pages (normal layout), **graphs, tables and so on count extra** (hence the total can be longer, but the text is shorter than 16 pages).

Please, integrate the most important graphs and tables in the text and do not place them in the appendix. The 15 pages is a value for your calculation.

- Not later than **three days before the compact seminar**, every student is required to present his/her main results in a 5-minute PowerPoint presentation to the supervisor (especially the most important tables and graphs. Please also bring the underlying data in stata format on a stick or drive). By then, you should be familiar with the relevant literature; data should be organized and entered, and in your analysis you should have established the core results. Therefore, your research activities are to be accomplished by then.

- The presentation of the term paper during the compact seminar lasts 20 minutes.

Hints to improve your results:

- Please, make use of the EconLit-search engine (access via UB-homepage) in search for literature and read studies in important journals already prior to the first meeting. Important: Of course, we support all those activities. But be aware of the fact, that it is not enough, if your term paper is based on only 2 or 3 research papers.

- The presentations as well as the term paper should be structured by an interesting economic question.

- Usually, empirical/statistical analyses (i.e. regression analyses) are expected. In exceptional cases, students can be excused from this if they are not familiar with those methods at all. If any problems occur, you can receive support during our office hours (please send an email the day before. Bring your data files! Either in stata, or in Excel with the variable names in the first row, without missing values, and save your data definitions in separate word files!).

You will see that the best way to learn the methods of regression analysis is by trying out yourself. You find information about these methods and the application of the software STATA on our homepage. In addition, a lecture can be seen via www.timms.uni-tuebingen.de; the first three movies address basic regression analysis techniques (search timms Joerg Baten, this is in German).

- All in all, the suggestions for the Master seminar are the same as for Master theses (of course, on a slightly lower level), so please also look at the information about diploma theses on our homepage!

Topics:

(In most cases, two students can pick the same topic.)

1. Efficiency of early modern Dutch and British financial markets – how did it develop over time? Lit: Papers by Joost Jonkers; Oscar Gelderblom and others. Quinn, Stephen, and William Roberds. 2007. "The Bank of Amsterdam and the Leap to Central Bank Money." *American Economic Review*, 97(2): 262-265. Temin, Peter, and Hans-Joachim Voth. 2004. "Riding the South Sea Bubble." *American Economic Review*, 94(5): 1654-1668. Data set is available from university computers (such as in PC-pool) <https://www.aeaweb.org/articles.php?doi=10.1257/0002828043052268>
2. The Recovery from Economic Crises. Lit: Reinhart, Carmen M., and Kenneth S. Rogoff. 2014. "Recovery from Financial Crises: Evidence from 100 Episodes." *American Economic Review*, 104(5): 50-55. Data set is available from university computers (such as in PC-pool)
3. The Great Depression: Financial Contagion Effects during the Great Depression. Lit: Mitchener, Kris James, and Gary Richardson. 2013. "Shadowy Banks and Financial Contagion during the Great Depression: A Retrospective on Friedman and Schwartz." *American Economic Review*, 103(3): 73-78. Data set is available from university computers (such as in PC-pool) <https://www.aeaweb.org/articles.php?doi=10.1257/aer.103.3.73> ; O'Rourke' NBER paper
4. The Great Depression: The Effect of Bank Failures. Lit: Ziebarth, Nicolas L. 2013. "Identifying the Effects of Bank Failures from a Natural Experiment in Mississippi during the Great Depression." *American Economic Journal: Macroeconomics*, 5(1): 81-101. Data set is available from university computers (such as in PC-pool) <https://www.aeaweb.org/articles.php?doi=10.1257/mac.5.1.81>
5. The equity risk premium puzzle in long-run perspective. Lit: Dimson, Elroy, Paul Marsh and Mike Staunton (2002), *Triumph of the Optimists: 101 Years of Global Investment Returns*, Princeton: Princeton University Press. Articles in EconLit with those keywords.
6. The size effect in stock markets using historical samples. Lit: Korolenko / Baten, Working Paper
7. Can we Predict Crises Based on the Study of Economic History? Lit.: Schularick, Moritz, and Alan M. Taylor. 2012. "Credit Booms Gone Bust: Monetary Policy, Leverage Cycles, and Financial Crises, 1870-2008." *American Economic Review*, 102(2): 1029-61. Data set is available from university computers (such as in PC-pool) <https://www.aeaweb.org/articles.php?doi=10.1257/aer.102.2.1029>
8. Determinants of the Cost of Public Borrowing. Lit: Chilosi, David (2014). "Risky Institutions: Political Regimes and Cost of Public Borrowing in early Modern Italy", in *Journal of Economic History* 74-3, pp. 887- Data in Figure 899-915. Other evidence on borrowing costs can be found in related literature.
9. The Capacity to Tax and Constraints on the Executive: What are the Growth Effects? Lit: Broadberry, <http://www.google.de/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&sqj=2&ved=0CDIQFjAB&url=http%3A%2F%2Fwww2.warwick.ac.uk%2Ffac%2Fsoc%2Feconomics%2Fresearch%2Fcentres%2Fcgae%2Fevents%2Fconferences%2Flongrungrowth%2Fbroadberry.pdf&ei>

[=g8E_VOXZGZPiarWkgZgO&usg=AFQjCNEKNZ3XJ3qNf-oCrBf_qfk18IvRTA&bvm=bv.77648437.d.ZGU&cad=rja](#)

Other evidence on borrowing costs can be found in related literature, such as Karaman and Pamuk. Also the cost of military, infrastructure and educational investment could perhaps be summed up. Lit: Karaman, K., Pamuk, S., 2013. Different paths to the modern state in Europe: the interaction between warfare, economic structure, and political regime. *American Political Science Review*. 603 – 626.

10. The role of state capacities to tax in the reduction of violence and the development of elite human capital

Recently, the “territorial state capacity” (the retention or expansion of territory) has been developed as a proxy indicator for state capacity, as it correlated with tax capacities (Baten, Keyword and Wamsler 2020, paper available from Joerg.baten@uni-tuebingen.de). This term paper reanalyses the European evidence that is already available, and expands this to subsets of data on (a) West Asia (b) South Asia (c) East Asia or (d) Africa (only one of these regions. Hence this topic can be chosen by four students), Lit: Keyword and Baten (2020), in *Cliometrica*, see my CV. Karaman, K., Pamuk, S., 2013. Different paths to the modern state in Europe: the interaction between warfare, economic structure, and political regime. *American Political Science Review*. 603 – 626.