

ECON 271-001:

Foundations of Market Economies

Main Instructor: Professor Jesús Fernández-Villaverde.

Secondary Instructor: Dr. Fernando Arteaga.

TA: Rodrigo Morales Mendoza.

1. Course overview

This course will study the historical and intellectual forces behind market economies' appearance on the world stage. The voyages of exploration undertaken by Europeans in the 15th and 16th centuries created a global economy in just a few decades. By 1600, silver from Mexico was exchanged in Manila for ceramics made in Nanjing (China). After a long trip through the Pacific, Mexico, and the Atlantic, the ceramics ended up in the tables of prosperous merchants in Bruges (modern-day Belgium). How did this integrated global economy appear? How did global interconnections over the centuries shape our current world? How did markets emerge and influence these interconnections? Who were the winners of globalization? And who were the losers?

Even if the economic theory will structure much of the discussion, insights from intellectual history, cultural history, microhistory, legal history, and institutional history will help to frame the main narrative.

The course will be, as well, global. First, beyond the traditional focus of economic history courses in Europe and the Americas, particular attention will be devoted to Africa and Asia. Second, the priority will be to highlight the interconnections between the different regions and to understand how the people living in them negotiated the opportunities and tensions created by the economic transformations triggered by globalization and how they conceptualized the changing lives around them.

2. Instructors

A few words about us. Jesús (JFV) is originally from Spain. He received a B.Sc. in Economics and a JD-MBA from ICADE in Madrid, Spain. He got his Ph.D. in Economics from the University of Minnesota. His research focuses on macroeconomics, econometrics, and economic history.

Fernando (FA) is originally from Mexico. He received a B.Sc. in Economics from UNAM in Mexico City, Mexico. He got his Ph.D. in Economics from the George Mason University. His research focuses on economic history, the economics of institutions, and development economics.

Rodrigo Morales Mendoza (RMM) is a third-year graduate student at the department of economics.

The best way to reach us is via email at jesusfv@econ.upenn.edu and arteaga@sas.upenn.edu. We usually answer questions via email within half a day. Besides, our T.A. (rodmo@sas.upenn.edu) will also answer your questions.

3. Class structure

The course will be organized around four components:

- i) One *asynchronous* recorded administrative video of around 40 minutes (divided into two video segments of around 20 minutes each) where we will introduce the course and describe the rules we will follow.
- ii) 14 *asynchronous* recorded lectures of around 90 minutes each. Each lecture will be divided into six video segments of around 15 minutes each.
- iii) Seven *synchronous* online Q&A sessions of 60 minutes each.
- iv) Six *synchronous* online reading reports and final paper sessions of 60 minutes each.

Summing up all these components, you should expect around 2,080 minutes of video content. In-class instruction in a regular semester amounts to 2,080 minutes (26 lectures of 80 minutes plus two midterms, for a total of 28 in-class sessions). Therefore, we will cover the same amount of material than in a regular semester.

In addition, we will hold office hours. Details will be announced via Canvas. If you have questions regarding the recorded lectures or the material at large, the default place to ask them should be the online Q&A sessions, to help all the students with the material and enrich the conversation. The office hours should be reserved for questions that are specific to each student.

Notice that you can submit your question by email before the online Q&A session starts if that is more convenient for you or you find written questions easier. Please let us know if you prefer us to refer to you as “a student” or by your name.

3.1. Recorded lectures

During each of the 14 weeks of instruction of the semester, we will post on Canvas one recorded lecture. The lecture's duration will be around 90 minutes, divided into six shorter segments. Depending on how much material we can cover, we might record some additional lectures, which will be 100% voluntary to watch.

We will post the recorded lecture by 9.00 am of the announced day (and, often, the day before).

The dates and contents of each recorded lecture are:

- **Lecture 1, posted on September 1:** Introduction (JFV).
- **Lecture 2, posted on September 14:** Population and Economic Growth (JFV).
- **Lecture 3, posted on September 21:** Geography, Climate, and the Environment I (JFV).
- **Lecture 4, posted on September 28:** Geography, Climate, and the Environment II (JFV).
- **Lecture 5, posted on October 5:** Land Empires (JFV).
- **Lecture 6, posted on October 12:** Europe Gets Ahead: An Industrial Revolution? (JFV).
- **Lecture 7, posted on October 19:** Catching Up, Falling Behind (JFV).
- **Lecture 8, posted on October 26:** The Strange Death of Liberal Europe (JFV).
- **Lecture 9, posted on November 2:** Socialist Economies (JFV).
- **Lecture 10, posted on November 9:** The Latin American Experience I ([FA](#)).
- **Lecture 11, posted on November 16:** The Latin American Experience II ([FA](#)).
- **Lecture 12, posted on November 23:** The African Experience (JFV).
- **Lecture 13, posted on November 30:** Les Trente Glorieuses (JFV).
- **Lecture 14, posted on December 9:** The East is Red (JFV).

3.2. Q&A sessions

Approximately once every two weeks, we will have a Q&A session on Zoom, where we will answer questions about the material of the class and have open-floor discussions about some topics of interest related either with the recorded lectures or the readings. We will post the Zoom links at least 24 hours before each meeting.

The Q&A will start on Wed., at 2.00 pm EST (our “regular” teaching time). The Q&A session will last until 3.00 pm EST or until we run out of the questions. We will record the Q&A and post it on Canvas sometime after we finish for your review (or to help those students who are spending the semester in a different time zone).

The dates for the Q&A sessions (and suggested content of questions, although we are always happy to talk about other topics) are:

- **Q&A session 1, September 2:** Administrative details. Introduction (JFV).
- **Q&A session 2, September 23:** Population and Economic Growth, Geography, Climate, and the Environment (JFV).
- **Q&A session 3, October 7:** Geography, Climate, and the Environment, Land Empires (JFV).
- **Q&A session 4, October 21:** Europe Gets Ahead: An Industrial Revolution?, Catching Up, Falling Behind (JFV).
- **Q&A session 5, November 4:** The Strange Death of Liberal Europe, Socialist Economies (JFV).
- **Q&A session 6, November 18:** The Latin American Experience ([FA](#)).
- **Q&A session 7, December 9:** The African Experience, Les Trente Glorieuses, The East is Red (JFV).

3.3. Reading reports and final paper sessions

The reading reports and final paper sessions will start on Wed., at 2.00 pm EST (our “regular” teaching time). These will last until 3.00 pm EST. We will post the Zoom links at least 24 hours before each meeting.

We will record the Q&A and post it on Canvas sometime after we finish for your review (or to help those students who are spending the semester in a different time zone).

The dates for these sessions are:

- **Reading report session 1, September 9:** How to write a reading report (FA+TA).
- **Final paper session 1, September 16:** Thinking about a paper in global economic history (FA).
- **Reading report session 2, September 30:** Feedback on reading reports (FA+TA).
- **Final paper session 2, October 14:** Early feedback about your paper (FA).
- **Final paper session 3, November 11:** Mid feedback about your paper (FA).
- **Final paper session 4, December 2:** Advanced feedback about your paper (FA).

4. Textbook and readings

The textbook for this class will be several chapters from a book on global economic history that JFV is currently writing. We will post pdfs of these chapters online. We will refer to them as “JFV.” Three additional papers will be available at Canvas.

Please do note that no material from this class cannot be shared with those outside of the class and CANNOT be re-posted online.

5. Course requirements and grades

The evaluation of this class will be based on two items: reading reports and a final paper on global economic history.

5.1. Reading reports

There are ten written reports due by 12.00 pm on the day listed below. The file should be in pdf format, and delivery should be done through Canvas or an email to the TA. Please, **DO NOT** send the report to JFV. Also, note that we will be *strict* in enforcing that late reports will get a zero grade unless covered by a University-wide policy exemption.

The dates and content of the reading reports are:

- Reading report 1, September 16: JFV, *Breaking Barriers I*.
- Reading report 2, September 28: JFV, *Breaking Barriers II*.
- Reading report 3, October 7: JFV, *Sea Empires*.
- Reading report 4, October 19: JFV, *China under the Ming and Qing*.
- Reading report 5, October 28: JFV, *Cradle of Modernity*.
- Reading report 6, November 9: F.A. Hayek (1945), “The use of knowledge in society.” *American Economic Review* 35, 519-530.
- Reading report 7, November 18: JFV, *Energy I*.
- Reading report 8, November 30: JFV, *Energy II*.
- Reading report 9, December 9: Barry Eichengreen (2008), *The European Economy Since 1945*, Chapters 1 (*Introduction*) and 2 (*Mainsprings of Growth*). Princeton University Press.
- Reading report 10, December 18: Xiaodong Zhu (2012), “Understanding China’s growth: Past, present, and future.” *Journal of Economic Perspectives* 26, 103-124.

Each written report will be graded out of five points. Notice that, since if you submit the ten required reports, you might get up to 50 points.

We will post an example of a written report for you to have a guideline on how to prepare it and a rubric. Also, in reading reports sessions 1 and 2, we will provide you with more details and tips.

5.2. Final paper

You need to write a final paper on global economic history.

Final paper session 1, September 16, will provide you with more details, but the basic rules for the final paper are:

1. You can write the paper individually or with a classmate. Groups of 3 or more students are not allowed.
2. You must select a topic related to the material covered in class. We will be quite generous in our interpretation of what is related to the material of the class, but the research must be original. Literature surveys are not acceptable. You must provide new information and perspectives on your topic. Examples of possible papers include:
 1. Revisiting an old debate in economic history with new data.
 2. A new test on a hypothesis.
 3. A natural experiment.
 4. A comparison of old events with a current situation.
 5. A political-economic investigation.
3. You must prepare a research proposal (2 pages), by October 14 (final paper session 2), stating the title of the paper, authors, and a short description of the intended research. Once we have approved the proposal, you can start working on it.
4. The final paper is due on **December 21**. Delivery should be done by a pdf through Canvas or an email to FA.
5. The length of the paper, including references, must be as close as possible to 7500 words (around 12-14 pages in Word). Longer papers will receive a grouchy reading. Shorter papers will receive a grouchy reading. The level of grouchiness will be:

$$grouch_i = (\text{length of paper}_i - 7500)^2$$

6. We will not read late papers.
7. The paper will be graded over 50 points.

6. Grading standards

Students taking the course for a letter grade will receive grades from A through D or an F. Students that take the class on a Pass/Fail basis need at least a D+ to pass the class. Poor performance is not a valid reason for an incomplete (I). An incomplete is given only under exceptional circumstances and requires the satisfactory completion of a substantial part of the course. Any incomplete must be arranged **before** December 1.

The grade will be equal:

$$\text{Points} = \sum_{i=1}^{10} \text{grade written report}_i + \text{final paper}$$

The mapping of points into letter grades is given by:

Points Achieved	Letter Grade	Points Achieved	Letter Grade
96 - 100	A +	72 - 75.75	C +
92 - 95.75	A	68 - 71.75	C
88 - 91.75	A -	64 - 67.75	C -
84 - 87.75	B +	60 - 63.75	D +
80 - 83.75	B	56 - 59.75	D
76 - 79.75	B -	less than 56	NP

7. Common policies

Finally, note that all common set of policies for courses taught in the department of economics apply unless superseded by the rules above. You can find such policies at <https://economics.sas.upenn.edu/undergraduate/course-information/course-policies>.