



New Economic Papers. Business, Economic and Financial History

SUNY Owego

País: Gran Bretaña
Editor: Bernardo Bátiz-Lazo
Correo-e: bbl3@le.ac.uk
Año: 2008
Fecha: Octubre 21
Lista: nep-his@lists.repec.org

In this issue we have:

1. [Railroads and the Rise of the Factory: Evidence for the United States, 1850-70](#)

Jeremy Atack; Michael R. Haines; Robert A. Margo

2. [The usury doctrine and urban public finances in late-medieval Flanders \(1220 - 1550\): rentes \(annuities\), excise taxes, and income transfers from the poor to the rich](#)

Munro, John H.

3. [ENERGY SUPPLY AND ECONOMIC DEVELOPMENT IN ITALY: THE ROLE OF THE STATE-OWNED COMPANIES](#)

Luca Stanca

4. [Farmers And Rulers State Intervention In The 19th Century Deccan Country Side](#)

Neeraj Hatekar

5. [More Food, But Not Yet Enough: 20th Century Successes in Agriculture Growth and 21st Century Challenges](#)

Patrick Webb

6. [Technology, institutions and allocation of time in Swedish households 1920-1990](#)

Svensson, Lars

7. [From parastatals to private trade: Lessons from Asian agriculture](#)

Rashid, Shahidur; Gulati, Ashok; Cummings, Ralph Jr.

8. [Islamic Economics: A Survey of the Literature](#)

Zaman, Asad

9. [Lessons on Reshaping the International Monetary Order - Revisiting J. M. Keynes "Activities 1940-1944" on the Creation of the Bretton Woods Institutions](#)

Piffaretti, Nadia F.

Contents.

1. Railroads and the Rise of the Factory: Evidence for the United States, 1850-70

Date: 2008-10

By: Jeremy Atack

Michael R. Haines

Robert A. Margo

URL: <http://d.repec.org/n?u=RePEc:nbr:nberwo:14410&r=his>

Over the course of the nineteenth century manufacturing in the United States shifted from artisan shop to factory production. At the same time United States experienced a "transportation revolution", a key component of which was the building of extensive railroad network. Using a newly created data set of manufacturing establishments linked to county level data on rail access from 1850-70, we ask whether the coming of the railroad increased establishment size in manufacturing. Difference-in-difference and instrument variable estimates suggest that the railroad had a positive effect on factory status. In other words, Adam Smith was right -- the division of labor in nineteenth century American manufacturing was limited by the extent of the market.

JEL: N61 N71

2. The usury doctrine and urban public finances in late-medieval Flanders (1220 - 1550): rentes (annuities), excise taxes, and income transfers from the poor to the rich

Date: 2008-01

By: Munro, John H.

URL: <http://d.repec.org/n?u=RePEc:pra:mprapa:11012&r=his>

The objectives of this study are three-fold. The first is to rebut Charles Kindleberger's famous dictum that usury 'belongs less to economic history than to the history of ideas'; and in particular to demonstrate that the resuscitation of the anti-usury campaign from the early 13th century led to a veritable financial revolution in late-medieval French and Flemish towns: one that became the 'norm' in modern European states from the 16th century (in England, from 1693): a shift in public borrowing from interest-bearing loans to the sale of annuities, usually called rentes or renten. That anti-usury campaign had two major features: (1) the decrees of the Fourth

Lateran Council of 1215, which provided harsh punishments – excommunication -- for both unrepentant usurers and princes who failed to suppress them; and (2) the establishment of the two mendicant preaching orders: the Franciscans (1210) and the Dominicans (1216), whose monks preached hellfire and eternal damnation against all presumed usurers – including, of course, anyone who received any interest on government loans. There is much evidence that from the 1220s, many financiers in many French and Flemish towns, fearing for their immortal souls, preferred to accept far lower returns on buying rentes than the interest they would have earned on loans. These rentes, based on 8th-century Carolingian census contracts, had two basic forms: (1) life-annuities, by which a citizen purchased from the government, with a lump sum of capital, an annual income stream lasting a lifetime, or the lifetime of his wife as well; (2) perpetual annuities, by which the annual income stream was indeed perpetual, or until such time as the government chose to redeem the rentes, at par. Initially, some theologians opposed sales of rentes as subterfuges to cloak evasion of the usury doctrine. But in 1250-1, Pope Innocent IV declared them to be non-usurious contracts, essentially because they were not loans. Subsequent popes in the 15th century confirmed his views and the non-usurious character of rentes, on two conditions: (1) that the buyer of the rente could never demand redemption or repayment, and (2) that the annual annuity payments (and any ultimate redemptions) be in accordance with actual rent contracts: i.e., that the funds be derived from the products of the land. Ecclesiastical authorities soon agreed that taxes on the consumption of the products of the land (and sea) met this test: i.e., taxes on beer and wine (which always accounted for the largest share), bread, textiles, fish, meat, dairy products, etc. The second objective is to measure the importance of 'rentes' in the civic finances of Flemish towns, in terms of both revenues and expenditures: from the annual town accounts Ghent (14th century only), and Aalst (1395-1550), where they had far greater importance. The related third objective is



to measure the burden of the excise taxes for master building craftsmen in Aalst, in tables that measure the values of the excise tax revenues expressed in real terms: first, in the equivalent number of 'baskets of consumables' (which form of the base of the Consumer Price Index), and second their value in terms of the annual money-wage incomes of master masons (for 210 days). This provides an entirely new look at the late-medieval 'standard of living' controversy – with indications that this consumption-tax burden sometimes rose from about 13,200 to almost 30,000 days' wage income, for a town of perhaps 3600 inhabitants (but obviously less dramatic on a per capita basis). That tax burden rose the most strongly when, by other indications, real wages (RWI = NWI/CPI) were also finally rising; and thus possibly these real wage gains were largely eliminated. That per capita tax burden would have been all the greater if, in the course of the 15th century, Aalst had experienced the same decline as did small towns of Brabant, to the east, on the order of 25%, and some other Flemish towns, in which the population decline varied from 9% to 28 %. In earlier publications I had challenged the widespread view that the era following the Black Death, with a radical change in the land:labour ratio, came to be a 'Golden Age' of the artisan and labourer. I contended instead that frequent inflations eroded or eliminated wage gains, and thus that periodic rises in real wages were due essentially to steep deflations combined with pronounced wage-stickiness. As I also calculated, English artisans in the 1340s had earned real wages that were about 50% of the Flemish; but by the 1480s, they had narrowed that gap (with much less inflation) to about 80%. That gap was probably even smaller, until the 1640s, when England's Parliament finally imposed similar excise taxes on consumption.

Keywords: usury; canon law; Church Councils; public debts; civic loans; excise taxes; rentes (annuities); warfare; Flanders; Ghent; Aalst; inflation; deflation; real wages; building craftsmen

JEL: E62 E43 N93 D31 E42 B11 J45 E25 J81 H20 E31 H31 H71
E44 J31 J10 O52

3. Energy supply And economic development in Italy: the role of the State-Owned Companies

Date: 2008-10

By: Luca Stanca

URL: <http://d.repec.org/n?u=RePEc:mib:wpaper:146&r=his>

The paper focuses on the role played by state-owned enterprise in the energy history and policy in Italy. A fundamental issue of the economic history of the country is if and how scarcity of raw materials, and particularly of primary energy sources, affected its modern economic growth. As different as they are, answers to such a question cannot but recognize the role played in the long run by direct state intervention: either in order to reduce the energy dependence of the country from abroad, or to guarantee the supply of fuel and oil products to the Italian market, particularly after the 1973 oil crisis.

Keywords: Italy, energy, history, state-intervention

JEL: N43 Q43 Q48

4. Farmers And Rulers State Intervention In The 19th Century Deccan Country Side

By: Neeraj Hatekar

URL: <http://d.repec.org/n?u=RePEc:ess:wpaper:id:920&r=his>

After the British conquest of the Deccan, the new government was faced with the task of working out a viable land revenue system.

Robert Keith Pringle who was a student of Malthus, tried to apply Ricardian theory of rent to several villages. The experiment was by and large a failure. This paper is an attempt to analyse Pringle's experiment and understand the causes of its failure. Mumbai University Economics Department WP No. 95/3

Keywords: Deccan, British, Pringle, Malthus, Ricardo, Ricardian, villages, rent,

5. More Food, But Not Yet Enough: 20th Century Successes in Agriculture Growth and 21st Century Challenges

Date: 2008-05-13

By: Patrick Webb

URL: <http://d.repec.org/n?u=RePEc:fsn:wpaper:38&r=his>

Keywords: famine, agriculture, food policy

JEL: O13 Q18 I31 N5

6. Technology, institutions and allocation of time in Swedish households 1920-1990

Date: 2008-09-30

By: Svensson, Lars (Department of Economics, Lund University)

URL: http://d.repec.org/n?u=RePEc:hhs:ifauwp:2008_020&r=his

The modernisation of Swedish households during the twentieth century prompted a considerable productivity growth in household production, which reduced the time input for a fixed volume of routine household work by about 35 per cent 1920-1990. Much of that time was gradually transferred to the labour market, but no evidence can be found for an increase in leisure time. What has

Presidente: Dr. Luis Jáuregui Frías (Instituto Mora)

Elaboró: Manuel A. Bautista González

been termed a "Cowan paradox" appears in the Swedish data: the output of household services increased significantly with productivity-enhancing technical change. This was, however, the case only in households where small children constituted an impediment to labour market entry. Increased returns to market work induced women who did not face this restriction to allocate more time to the labour market from the mid-1940s. A set of new formal and informal institutions associated with the family eventually redefined the concept of "small children" and so shifted the position of homemaker from being a more or less permanent status of some women to a clearly temporary position of most women.

Keywords: Time allocation; labour supply; household technologies; family policy

JEL: J22 N34 O33

7. From parastatals to private trade: Lessons from Asian agriculture

Date: 2008

By: Rashid, Shahidur

Gulati, Ashok

Cummings, Ralph Jr.

URL: <http://d.repec.org/n?u=RePEc:fpr:issbrf:50&r=his>

"Governments in Asia used grain price stabilization as a major policy instrument when they began to promote the Green Revolution in the 1960s. In the process, they created parastatal agencies, which were quasi-governmental in nature, to undertake public marketing activities in basic staples such as rice and wheat. These operations often meant providing a support price to farmers, procuring staples on government account, holding public stocks, and distributing these stocks through public distribution systems or open market

Presidente: Dr. Luis Jáuregui Frías (Instituto Mora)

Elaboró: Manuel A. Bautista González

Asociación Mexicana de Historia Económica

www.amhe.org.mx

operations to hold the price line for consumers. This led to a sizeable degree of government intervention in most of these countries' grain markets, which continues to a large extent today." from Text

Keywords: Price stabilization, Green Revolution, Parastatals, Agricultural policies, Production risk,

Consumer vulnerability, Government commitment, Incentives, Institutions, Investments, Private sector,

8. Islamic Economics: A Survey of the Literature

Date: 2008-06

By: Zaman, Asad

URL: <http://d.repec.org/n?u=RePEc:pra:mprapa:11024&r=his>

A central thesis of this paper is that social science is the study of human experience, and hence strongly conditioned by history. Modern Western political, economic and social structures have emerged as a consequence of the repudiation of religion, and are based on secular principles. Many of these are inimical to Islamic principles, and cannot be adapted to an Islamic society. Muslim societies achieved freedom from colonial rule in the first half of the twentieth century and sought to construct institutions in conformity with Islam. The development of Islamic economics is part of this process of transition away from Western colonial institutions. This paper focuses on the contrasts between Western economic theories and Islamic approaches to organization of economic affairs. Neoclassical theory is centered around the acquisitive instinct of humans, and makes competition the driving force of economic analysis. Islamic approaches foster cooperation and encourage

generosity as the fundamental principle for handling economic affairs. Human beings have potential for good and evil, and are free to choose between the two; their behavior is not subject to mathematical laws postulated by neoclassical economic theory. The main message of Islam is that we must strive to achieve the potential for good both at the individual and at the social level. Behavior in the economic realm is also governed by this goal. Islamic law (Shari'ah) provides the framework for all activity within an Islamic society. In the economic domain, Islamic law regulates both methods by which money may be earned and also the ways it may be spent. Acquisition of wealth is permissible only in ways which are just to all parties concerned; exploitation, arbitrary taxation, and individual profit resulting in social harm is not permissible in Islamic law. This puts numerous restrictions on business practices utilized to make profits. For example, polluting the environment, or selling products which lead to moral corruption would not be permissible in Islamic law. Wealth which has been acquired becomes private property, which is both a trust and a test according to Islamic concepts. The "trust" aspect means that property must be used in ways beneficial to the individual and society. The "test" aspect means that those who have more than they need should take care of those who are in need. Ways in which acquired wealth can be spent is also subject to Islamic law. People are expected to strive to be self-sufficient and not ask from others. Thus striving to acquire wealth and spending it on personal and family needs is encouraged by Islamic law. Islam does not preach austerity and encourages a comfortable standard of living. At the same time, it strongly discourages spending on idle desires, luxuries, and ostentation. There is also a strong encouragement to spend what is beyond one's needs on social welfare. These fundamental principles for acquiring wealth, using property (acquired wealth), and spending it impact on all realms of economic activity. Since these are substantially different from Western ideas in all three areas, there are substantial contrasts between Western

economic institutions and Islamic ones. The paper traces out these differences in many realms of economic activity. The primary objective of an Islamic state is to provide justice, and Islamic public finance is concerned with tracing the concrete implications of this abstraction in the economic realm. Western financial institutions have the acquisition and multiplication of wealth as their prime objective. Since acquisition of wealth can only be a means to an end, these institutions require modification in an Islamic society. Similarly, Islamic imperatives for social welfare require construction of certain uniquely Islamic types of institutions which do not have counterparts in the West. The paper discusses these issues in some detail.

Keywords: Islamic Economics; Neoclassical Economics

JEL: Z12 B59

9. Lessons on Reshaping the International Monetary Order - Revisiting J. M. Keynes "Activities 1940-1944" on the Creation of the Bretton Woods Institutions

Date: 2008-10-11

By: Piffaretti, Nadia F.

URL: <http://d.repec.org/n?u=RePEc:pra:mprapa:11101&r=his>

As we witness profound changes in the global economy, and the raise of a multipolar intergrated global economy, as it appears clear that so-called "Revived Bretton Woods System" as described by in their influential paper by Dooley, Folkerts-Landau and Garber (2003) (in which many countries, particularly in Asia, limit exchange rate fluctuation against the dollar, accumulating as a consequence enormous reserves in dollars) maybe be nothing more than a

temporary non sustainable financing of the US structural internal imbalance, it's worth revisiting the origins of the Bretton Woods Institutions, and pointing out to the relevance for today's framework of Keynes' original 1942 plan. In this note we explore the main characteristics of Keynes' original plans for an international Clearing Union, by revisiting his original writings between 1940-1944, and we briefly outline the relevance of his plan to today's framework.

Keywords: International Financial Architecture; Bretton Woods Institutions; Plan Keynes; Money

JEL: E12 E58 E42 F02 N20 E00 E50 F33