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The Economic History Requirement: Past, Present, Future

By

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December 2018

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1. Introduction

The first year core curriculum is a ubiquitous feature of economics doctoral programs in the United States. With hardly any exceptions, first year PhD students take a suite of courses in microeconomics, macroeconomics, and econometrics taught during the academic year and a short preparatory course in mathematics for economists usually before the first year begins.¹ The prima facie purpose of the core is to provide students with the knowledge needed to pass qualifying exams at the end of the first year.² In addition to the stated reason, the first year core forges a shared identity among those who persevere through it.³ Assuming a student passes her “quals” she enters stage #2 – enrollment in field courses during the second year to fulfill another ubiquitous requirement, mastery of special sub-areas of economics.⁴ Next comes the dissertation and its “job market paper”, followed by the job search, and the dissertation defense. The pot of gold at the end of the rainbow is a (well-paid) working life as professional economist.

While a first year M⁴ (math-micro-macro-metrics) core is nearly universal, this is not true of so-called “breadth” courses. The motivation behind a breadth course is to ensure that students’ knowledge is not overly narrow and insular. Economic history and history of economic thought are classic breadth courses in economics. This paper is about required courses in economic history.

¹ A regular course is one taught during the academic year.

² Qualifying exams date back to the origins of doctoral education in economics in the US whereas the first year core is a post-war development.

³ The shared identity is captured by the “boot camp” phrase found in the title of the relevant short course in math (i.e. “Math Boot Camp”). Another argument for a core is that most PhD economics students do not have strong preferences over fields at the beginning; to a first approximation, the core spans the “basics” for all subsequent paths (e.g. an empirical labor economist needs training in microeconomic theory and in econometrics).

⁴ Other common requirements include the completion of a second or third year research paper, a workshop presentation (often of the second year paper), and a dissertation proposal.

Although demonstrating proficiency in various subjects has been a central component of PhD economics training in the United States from the very beginning, the first year core is more recent in origin. In particular, the idea of a first year core received a considerable fillip when the American Economic Association commissioned Howard R. Bowen in the early 1950s to write a monograph on f graduate training in economics.⁵ Published in 1953, the Bowen (1953) report (discussed later in the paper) recommended a core that included theory and empirical methods, as today.⁶ However, the recommended core also included instruction in history of thought and economic history. For the era this is not surprising. Economics faculty at the time believed that economic history and history of thought were central subjects, and a substantial fraction of PhD economics students, if not a majority, took graduate courses economic history.

In the decades following the Bowen report, some programs appear to have taken the recommendations to heart and initiated a history requirement but these were few in number. Further, several prominent programs that that had instituted history requirements at various times allowed them to lapse. Today in the United States, there are approximately 120 active PhD programs in economics. My review of these programs indicates that only 0 percent of these – or just 12 programs – have an economic history requirement in some form or another.

⁵ Born in 1908, Bowen received his BA and MA degrees from Washington State University, and his PhD in economics from Iowa in 1935, followed by post-doctoral work at Cambridge and LSE. He began his career teaching at the University of Iowa but quickly moved into government service and the private sector. After World War Two he became dean of the College of Commerce at the University of Illinois, but was forced to resign in a dispute over his efforts to reform the business curriculum to include discussion of “social responsibility”. He then joined the faculty of Williams College, where he was employed at the time the AEA commissioned the study. Bowen later moved back to Iowa where he served as President of Grinnell College and, later, the University of Iowa during the mid to late 1960s. His last position was a professorship at the Claremont Graduate University, where he also served as interim president for a year. Bowen published 14 books, 12 of which were on the economics of higher education, on which he was a recognized authority.

⁶ To be clear, the recommendations in the Bowen report were those of the author, not an official position of the AEA. Nevertheless, the AEA financed and published the study, which gave the recommendations considerable authority.

To gain some insight into why a history requirement never became popular, I study a memorandum from the University of Chicago economics department written in the early 1980s. Economic historians had long been employed in the Chicago department and a history requirement was in place before World War Two. However, the requirement seems to have come under attack, after the economic historian Robert Fogel left for Harvard in the mid-1970s. When Fogel returned to Chicago in the early 1980s, the issue again came to the fore. With the assistance of his colleague David Galenson, Fogel wrote a memo arguing that the requirement be maintained and strengthened in certain ways. In the end, the memo was not successful as the Chicago department abandoned the requirement. With the benefit of hindsight, it is useful to consider the memo's arguments. In brief, Fogel-Galenson viewed the history requirement as economic literacy – “what every professional economist should know”. However, at the time, the great majority of economists seemed to get along just fine without any graduate training in economic history, which suggests that the argument was not persuasive in the form that Fogel-Galenson made it.

In the final section, I speculate on whether an economic history requirement might be useful today given recent trends in the field. The trends I have in mind are those discussed in Margo (2018). In a variety of empirical fields in economics, younger scholars who do not necessarily identify as economic historians nevertheless undertake research with on historical topics. One argument for a required course is that there is specialized knowledge that failure to recognize this can lead research by an otherwise competent economist astray. It is far from obvious, however, that a require course in the first year is the best way to prevent this from happening. Another argument is that much empirical work in economics requires that the

researcher master historical context in order to make credible statements about identification. Again, however, it not obvious that a required history course is necessary to achieve this aim.

2. The Economic History Requirement, Now and Then

The American Economic Association maintains a list of known graduate programs in economics in the United States on its website (American Economic Association 2018). The list gives the name of the university; the graduate program website address; whether or not the university offers a PhD in economics; whether or not the university offers a terminal MA degree; and, for some schools, marginal notes about the program (e.g. “MA in Financial Economics”).

I search the text of all of the websites listed by the AEA, determining first whether the PhD program is, in fact, active (that is, has produced graduates in recent years). For those that are active, I collected data on various features of the PhD curriculum. For this paper, the primary data are whether the program has an economic history requirement at present, which I show in a cross-tabulation with whether the program offered a formal field in economic history, information that I also collected.⁷ I also attempted to collect data on whether the program ever had an economic history requirement from a variety of sources but, so far, this effort has been piecemeal and I can make no claim to completeness.

To give an example of what I mean by an “economic history requirement” consider the relevant text from the booklet that the Department of Economics at Vanderbilt University makes available on its website in pdf form (Department of Economics, Vanderbilt University, 2018):

⁷ In general, a special field is formal if the program offers PhD field courses or the equivalent (e.g. a reading course, or allows students to attend such courses at another university). In future versions of this paper I also plan to collect data on whether or not the Department has faculty in economic history, measured in various ways (e.g. membership in the Economic History Association or Cliometrics Society, published research, courses taught).

“Meeting the Requirement in Economic History. A student may satisfy this requirement by: (1) passing Economics 8400 with a grade of B- or better. (2) obtaining a written statement from the faculty member who taught the course (Econ 8400) the last time it was offered or the faculty member who is teaching or will next teach the course (if it is not in progress) that a transferable course satisfies the requirements. (3) (if not currently enrolled in Econ 8400) passing, with a grade of B- or better, an examination equivalent to a comprehensive final examination in the course (Econ 8400). The student may do this by taking the final examination scheduled for the course or by taking a special examination during the periods in which prelim examinations are administered as determined by the DGS in consultation with the relevant faculty”

According to this text, PhD students at Vanderbilt will satisfy the requirement by passing Economics 8400 (“Introduction to Economic History”) or its equivalent elsewhere or by examination. The other programs with history requirements have a very similar protocol — successful completion of coursework, transfer credit, or by examination.

Panel A of Table 1 cross-classifies the data I collected on the history requirement with data on whether programs offer a formal field in economic history.⁸ Not surprisingly, if a program has a history requirement, it is more likely to offer a formal field in history, and vice versa (if a program has a formal field, it is more likely to also have a history requirement). The total number of programs having a history requirement is 12, or 10 percent of the overall total (N = 120); the total offering a formal field is 23, or 19 percent of the overall total. Of the 12 programs with a history requirement, essentially all (11 of 12) offer a formal field in economic

⁸ The figures in Table 1 are unweighted with respect to the size of the entering class in the program. In future versions of the paper I will attempt to adjust for this but I do not expect the substantive findings to be affected because the program with history requirements are a mixture of small and large, as is the case of the programs without a requirement.

history. Of the 23 programs with a formal field, 11, or 48 percent, have a history requirement. Of the 108 programs that do not have an economic history requirement, 12 offer a formal field in history – 11 percent, well under the overall fraction of 19 percent

The first order implication of Table 1 is that just how uncommon a history requirement is at present. The presence of a formal field in history is also rare, although more common than a history requirement. In general, departments that do not have a history requirement or a formal field do not offer doctoral courses in economic history.⁹ It follows that the great majority of PhD students in economics in the United States today receive no PhD level instruction in economic history. As I will show, this stands in stark contrast to patterns just after World War Two, as well as earlier in the century

The programs that do have a history requirement are, in no sense, a random sample of active programs. Panel B lists the 12 programs with history requirements. Six, or 50 percent, are by any metric among the best, or at least most highly ranked – in alphabetical order, Harvard, Northwestern, Stanford, UC-Berkeley, UCLA, and Yale. The other six include programs with a “heterodox” flavor – the University of Massachusetts at Amherst, the University of Utah – along with programs that have prominent research groups in the field (Rutgers, Vanderbilt).

As mentioned, I have also collected data on whether a program in existence today ever had a history requirement. Of the 120 programs active today, 20 had a history requirement at some point in the past, including those with a requirement today. The eight programs listed in Panel C of Table 1 had a requirement in the past but no longer. Among these is the University of Chicago, whose abandonment of the requirement I consider in more detail later in the paper;

⁹ Some students may be able to take PhD courses in economic history at nearby programs; this depends on whether the programs in question allow auditors or enrollees from outside.

MIT (Temin 2004); and the University of Pennsylvania, which once offered a PhD in economic history.

Ideally, it would be possible to trace the aggregate evolution of all requirements in PhD programs in a period (point in time) and cohort (date of birth) sense. This is far beyond the current paper and, as far as I know, not something that historians of economic thought or of the profession have ever attempted.

The timeline of the history requirement has been reconstructed for one prominent program, the University of Chicago (Mitch 2007, 2010). From the founding of the Chicago department in 1892, graduate courses in economic history were offered regularly; for example, between 1892 and 1900, there were courses on tariff history and financial history, both pertaining the United States; a course on “Economic and Social History”; and another on “Industrial and Economic History”. In offering history, Chicago was typical – of the 23 institutions that offered graduate instruction in economics in the late 1890s, 15 regularly offered courses in economic history.¹⁰ However, there were no specific course requirements for the degree, nor any explicit statement per se indicating that students were expected to have some mastery of the field. This changed in 1920; PhD students at Chicago were supposed to have “an intelligent acquaintance with ... the historical evolution of industrial society; the early forms of industry and trade; the development of the market; the industrial revolution and its consequences, particularly as exemplified by the economic history of England and the United States”. By 1925, specific courses are indicated as satisfying the requirement.

¹⁰ Collier (2015). Courses in financial history are counted as economic history.

By the early 1940s requirements at Chicago were refined further. Graduate students were required to show competence in ten specific fields, two of which were American and European economic history. The list of required fields was reduced to five, one of which was economic history, just after World War Two. The wording was made vaguer in the 1950s but then changed significantly in 1962, shortly before Fogel arrived as a faculty member at Chicago; in that year, graduate students were required to have completed an “advanced” [graduate] course of instruction in economic history. This remained in place until 1983, when the requirement was eliminated.

Needless to say, one cannot use the experience of the University of Chicago to chart the overall time path of the history requirement. Nevertheless, the institutional evolution is suggestive that, if data were available, the likely time path would be an inverted U. The reasoning here is straightforward. In the early twentieth century, most programs appear to have lacked specific course requirements of any kind, adding these over time. By mid-century (see the next section) Second, programs that were established closer to World War Two, or after the War likely imitated established programs and may have paid attention to the recommendations of the Bowen (1953) report.¹¹ Third, from the partial data I have assembled it seems clear that some programs that had history requirements in place after World War Two abandoned them, in the 1980s or more recently.

One should distinguish the time path of the history requirement from the time path of graduate student interest in economic history. More work is needed but a plausible case can be

¹¹ Temin (2014) discusses economic history in the PhD program at MIT. He notes that the MIT program began after World War Two and from its onset had a required first year course and paper in economic history. The requirement continued after 2000 but fell by the wayside when the economic historian Dora Costa left MIT and Temin retired, and the department decided not to replace either.

made that student interest followed a downward trend throughout the first half of the twentieth century but has been more or less stable since the 1960s. Table 2 shows provisional estimates of the proportion of PhD economics dissertations categorized as economic history from the earliest years such estimates are possible to the present. There are unresolved issues in the categorization, which is why I call the estimates provisional.

The main finding in Table 2 is that economic history was quite popular early in the century but that, by the 1920s, the history share of dissertations began a protracted decline. By the early 1950s, history accounted for slightly less than 2 percent of economics dissertations. Subsequently, the share fluctuated, but in a narrow range, approximately 1.5 to 2 percent.

3.0 The Bowen Study

To the best of my knowledge, the earliest national level data on graduate education are those presented in a 1953 monograph by Howard R. Bowen, which I refer to throughout the paper as the Bowen (1953) study. The impetus for the Bowen study was an earlier report on undergraduate education in economics, which the AEA had also commissioned and published. Impressed by the undergraduate study as it was nearing completion, the AEA's Executive Committee concluded that a second study focusing on graduate training would also be valuable. An ad-hoc committee of four individuals, one of whom was Milton Friedman, was appointed to study the feasibility of a report on graduate education. The ad-hoc group was in favor, so the next step was for the Executive Committee to seek funding, which they did successfully from the Rockefeller Foundation. The principal investigator was Howard Bowen who spent the 1951-52 academic year undertaking the necessary research.

Bowen used three principal sources in researching and writing his report. The first was the prior literature on graduate education, almost all of which was general rather than specific to economics and not much of it at that. The second, and the heart of the study, was a series of twelve questionnaires on a variety of issues sent to deans, department chairs, faculty members, and former and current graduate students. Bowen reported the results from the questionnaires in simple, one-way tables throughout the book. One of the questionnaires, which I discuss below, provided direct evidence on course requirements of PhD economics programs. The third source was personal interviews.

Following an executive summary in chapter one, chapters two and three gave an overview of the economics profession – the size of the market, the different types of jobs held by economists, their salaries and working conditions. Chapters 4 through 6 described the general objectives of graduate study in economics, the relative “quality” of economics graduate students, and admissions practices. Chapter 7, the chapter relevant to this paper, discussed the substantive content of economics graduate study, including the role of economic history. The remaining chapters covered training in research and teaching, length of time to degree, overall structure of the degree program, instructional methods and, lastly, statistics on enrollments and degrees.

In Chapter 4 Bowen introduced the idea of a “common core” of graduate study in economics which followed logically, in Bowen’s view, from the fact that the purpose of such study was to produce scholars. Here is what Bowen thought the core should be:

“Although there is, and should be, great diversity across economists in their intellectual equipment and interests, nevertheless there is a substantial nucleus of subject matter which should be common to all economists regardless of their special interests. It is this common core which should bind the profession together and should enable economists of all types and

persuasions to communicate with one another. This common core consists primarily of economic theory including value, distribution, money, employment, and at least a nodding acquaintance with some of the more esoteric subjects such as dynamics, theory of games, and mathematical economics. Other important subjects of the core are economic history, history of thought, statistics, and research methods. No one has a claim to a PhD in economics without a rigorous initiation into these fields.”

The first issue is whether, in fact, the core as just described was deemed desirable by those who would be teaching it. To determine this, Bowen surveyed graduate instructors – 72 percent said yes, while another 9 percent said “possibly”. The devil, however, was in the details. Of those in favor of a core, there was near universal agreement – 98 percent -- that there should be courses in microeconomic theory. Beyond theory, however, there was much less consensus. A solid majority –55 percent – felt that history should be part of the core, slightly higher than the fraction that favored statistics (53 percent). History of thought came in at 37 percent. For an economist today, the striking finding is the limited extent of the agreement on the value of macroeconomics – only 28 percent of graduate faculty felt that money and banking was worthy, and an even smaller fraction – 20 percent – was in favor of requiring courses in “employment theory and fiscal policy”.

Instructor attitudes toward core content are astonishing in light of what happened over the following half century. However, the relevant question for this paper is how attitudes contrast with practice at the time? Bowen’s (1953, p. 105) Table 25 gives the proportion of programs requiring various courses as well as the proportion “usually” electing said courses if not required. At little more than two-thirds (65 percent) of programs had required courses in economic theory, but even if these were not required, the courses were offered and were almost always taken by

students – the combined proportion was 95 percent. At 49 percent, almost half of the programs had a course requirement in history of thought; of the 51 percent that did not have a requirement, students usually took such courses in slightly more than half (53) of the programs (the combined total was 76 percent). It is fair to say, therefore, that PhD students in economics ca. the early 1950s did have universal exposure to economic theory and its evolution over time (history of thought) – a de facto, if not de jure core.

Of the remaining elements of Bowen’s core, there was less consensus. 22 percent of programs had a course requirement in statistics, but among the 78 percent that did not, statistics was rarely taken up as a subject (6.4 percent of the time). Apropos this paper, 14 percent of programs had a history requirement but of the 86 percent that did not, students routinely took economic history in 22 percent of the programs. The combined proportion was 33 percent – that is, among PhD students in economics in the US in the early 1950s, 1 in 3 took graduate instruction in economic history. I cannot say exactly what the comparable figure is today. In light of my Table 1 but if I assume that, in programs that do not have a requirement but do offer a formal field, half of students take a field course, the figure today would be 16 percent (it is almost certainly lower than this) – roughly half of what it was ca. 1950.

It is interesting contrasting Bowen’s findings for economic history with those for “monetary and banking theory”. Hardly any programs required courses in money and banking (5 percent) or in employment and fiscal policy (3 percent). But in money and banking at least, fully a third of students took such courses routinely, a significantly higher take-up rate than in economic history.

4. Chicago Redux: The End on an Era, 1983

After a thirteen-year stint on the University of Chicago faculty, the economic historian Robert Fogel accepted a position at Harvard University starting in the fall of 1976. While at Harvard Fogel taught graduate courses cross-listed in the economics department and in the the history department, where he held a joint appointment. Fogel supervised nine PhD dissertations at Harvard, among them David Galenson's (defended in 1979) and Kenneth Sokoloff's (defended in 1982).¹² Fogel's time at Harvard would be short. Chicago offered him the Walgreen Chair, which included joint appointments in the Graduate School of Business and in Economics. He accepted, and returned to the Chicago faculty in 1982.

Shortly after his return to Chicago Fogel engaged a simmering debate in the economics department about whether or not to continue the economic history requirement. As discussed earlier, the requirement was in place when Fogel arrived on the Chicago campus in 1963 and was still in place when he left for Harvard a little more than a decade later. While Fogel was at Harvard proposals were floated in the Chicago department to eliminate the history requirement but these were apparently vetoed by Diedre McCloskey.¹³ By the time that Fogel returned to Chicago, McCloskey had left for the University of Iowa.

In an attempt to persuade colleagues of the intellectual merits of the economic history requirement, Fogel co-authored a memo with his junior colleague at the time, David Galenson.. A believer that the best defense was a good offense, Fogel not only argued that the requirement should be kept, it should be strengthened, from one to two quarter courses. In the end, the memo

¹² While at Harvard Fogel also supervised three dissertations in history at Brandeis University (Allan Kulikoff, Sarah McMahon, and Winifred Rothenberg).

¹³Personal (email) communication from David Mitch. Evidently the Chicago department allowed senior faculty to veto proposed changes to the core curriculum.

was moot; Fogel agreed to allow the requirement to lapse in exchange for a strengthening of existing requirements for developing empirical skills. When he was interviewed privately on the matter some two decades later, he regretted his decision, pointing out a lack of knowledge of economic history in the research of graduate students who came to him for advice after the requirement had been lifted.¹⁴

Although the memo did not win the day back in the day, with the benefit of hindsight, what might be said objectively of it? What are its arguments in favor of a history requirement and are these arguments persuasive?

Section I.A of the memo begins by claiming that it is “difficult to piece together” when the economic history requirement came into being, suggesting that it was “introduced into various departments” between the 1930s and 1960s. Rather surprisingly, no mention is made of Bowen’s early 1950s report to the American Economic Association.

Fogel and Galenson continue by suggesting that the most common rationale for the requirement ca. 1950 was a statement by Joseph Schumpeter in his History of Economic Analysis. Schumpeter’s rationale has three components. First, according to Schumpeter, of the three principal “techniques” of economic analysis – theory, statistics, and history – history was by far the most important. It is important to keep in mind that, for Schumpeter, “history” included the present day, and consisted in the main of factual knowledge.

Second, the factual knowledge that Schumpeter believed to be crucial was not simply economic but include the “non-economic”. Historians, Schumpeter believed, naturally considered both “economic and non-economic facts”; study of history, therefore, gave the

¹⁴ Personal (email) communication from David Mitch.

economist insight into how the different “social sciences should be related to one another”.

Third, Schumpeter felt that when economists erred in their analyses, it was almost always due to poor (or no) understanding of the historical context, not poor economics.

That Schumpeter’s reasoning continued to be relevant long after he wrote is suggested by unsigned text adopted by the Harvard Economics Department in 1978 as justification for its requirement.¹⁵ The Harvard text begins with more or less a direct paraphrase of Schumpeter – economic history, theory, and econometrics are “required” because these three subjects are the “bedrock of sound training in economics”. The text continues to describe four characteristics of courses that would “ideally” fulfill the requirement. First, the course should inform about the evolution of “some major economy” over time (exactly what is meant by “major” is left unspecified), including its “pre-industrial” and “modern” stages. A list of relevant sub-topics follows – gross national product, distribution, sectoral composition, capital formation, financial development, and the role of government. Second, an ideal course should distinguish institutions and behavioral patterns that have “persisted” over long periods of time and which are of more recent origin, or are unique to “particular economies or cultures”.¹⁶

Third, an ideal course is supposed to introduce students to “the wide range of economic problems” that have proven “too complex” for “standard” models or econometric techniques so that students could evaluate the “usefulness” of these techniques and “contrast them” with the “looser, but more flexible” methods used by historians. Fourth, an ideal course should teach

¹⁵ Tellingly, the Fogel-Galenson memo does not mention that Fogel was a member of the Harvard Department in 1978 and very likely had a hand in drafting the Harvard language. Whether Fogel’s Chicago colleagues noticed the connection is not known.

¹⁶ It is unclear how the instructor of such a course would identify quite institutions or behavior without making comparisons to other economies, in which case the course would not be about “some major economy” but multiple ones.

about the “value systems” past and present that have “shaped institutions and behavior”. As is apparent, the first two of these fall into the realm of factual knowledge that is context-specific – US economic development, or Great Britain. The third and fourth points pertain to humility and breadth – budding economists should be aware of what their tools can and cannot do, and that life is more complex than economic models conceive it to be.

Section I.B of the memo summarizes the economic history requirement as it then existed (or not) at six of Chicago’s peer departments. Five of the six --- Berkeley, Harvard, MIT, Stanford, and Yale – had a history requirement; the exception was Princeton. Harvard’s and Yale’s were the most demanding. At Harvard, students were required to take two semesters of economic history, or pass a special examination; at Yale, students had to pass a special examination, for which they generally prepared by taking two semester-length courses, one of which was in European economic history. Berkeley required a one-semester dedicated course covering both American and European economic history, with a grade of B- or better and completion of a term paper. MIT’s requirement was fulfilled by taking a one-semester course (from several options) with a grade of B or better and a term paper. Stanford expected students to take a one-quarter course with a grade of B- or better, slightly more demanding than Chicago, which also required a one-quarter course with a grade of C or better.¹⁷

Part II of the memo presents the actual proposal. In section A of Part II, Fogel and Galenson give their rationale for the requirement which, in their opinion, departs significantly from Schumpeter’s. For Fogel and Galenson, the “economic history requirement” is a “literacy requirement” needed to “assure that all ... students receiving PhDs ... have a knowledge of the

¹⁷It was also possible at Chicago to fulfill the requirement by choosing economic history as a special field, and then completing one of the required field courses.

basic magnitudes and institutions of modern economies and the way in which they have worked over long periods of time.” There are two reasons for this, according to Galenson and Fogel – first, as a corrective against the tendency for economics to become ever more theoretical over time; second, because the quality of research is enhanced, whether it is empirical or not, if the economist is “aware of the way that critical variables have actually behaved in the past, of the way that leading institutions ... have come into being or passed from the scene, and of the large and rapid shifts in the structure of economic activities over the past two centuries and which are continuing to occur”. Fogel and Galenson acknowledge that field courses cover some of the material they believe to be part of basic literacy in economic history but that this is insufficient and too haphazard to rely on. They also point out that the range of human experience in the past is broader than in contemporary societies. Fogel and Galenson also reject Schumpeter’s argument that study of history is necessary because all economics is contextual (“a unique process in historic time”). According to Fogel and Galenson, the central models of economics “are valid for a wide range of times and places extending back at least into the medieval era”. However, Fogel and Galenson assert that the models cannot be used mindlessly; one must be knowledgeable about the institutional context. That said, Fogel and Galenson acknowledge that economists who are interested in applying a model to a past society need not have taken an economic history course to do so properly. Fogel and Galenson also reject, in rather scornful language, the argument that a history requirement is necessary to grow the field; the field can stand on its own.¹⁸

¹⁸ One might agree with Fogel and Galenson on this point, but it leaves open the empirical question whether the core does, in fact, have a casual effect on the distribution of economists across fields.

In fashioning their argument, Fogel and Galenson emphasize that their idea of a core economic history class is quite different from a field course; the latter trains students to do professional research in economic history, which is not the point of the former. What, then, is an ideal core economic history course? Fogel and Galenson approach this question by arguing, first, that the cliometrics revolution increased both the overall number of economic historians and also led to a proliferation of graduate courses in the field.¹⁹ Fogel and Galenson point to what they believe to be a general principal-agent problem – the content of the core is generally determined by the instructor, whose incentives do not necessarily align with the overall faculty. Fogel and Galenson call for departmental oversight of content and also suggest that there is no inherent reason why a core economic history class necessarily had to be taught by a card-carrying economic historian. Lastly, Fogel and Galenson argue that the original Chicago requirement of one quarter course in economic history needed to be strengthened to two quarter courses in order to cover sufficient content from American and European economic history.

Whether the memo ever circulated among or was discussed by the senior faculty at Chicago is not known. Regardless, my reading leads me to conclude that the memo was unlikely to be successful. My reasoning has two parts. First, at the time economics was, as Fogel and Galenson note, becoming increasingly theoretical (and mathematical). As one of the premier departments of its era (and ours) the opportunity cost of one, let alone two, quarter courses may have seemed too high, particularly since the vast majority of academic economists at the time seem to have perfectly satisfactory professional careers without studying the field.

¹⁹ Fogel and Galenson offer no evidence in support of these claims; while I have not investigated them per se, I believe that they are very likely an overstatement, especially if expressed in percentage terms (i.e. the percent of graduate classes accounted for by economic history, the percent of economists who are economic historians, and so on).

Second, Fogel's bargaining power may have been limited in any event because his primary appointment was not in the department, but in the business school.

Third, and most important in my view, the memo falters when Fogel and Galenson offer examples of the kinds of topics that distinguish history from the rest of economics, which are drawn from their research agendas (slavery, indentured servitude). Fogel and Galenson mention revisions they were undertaking to previously taught courses to make the content closer to what they envisioned to be ideal for a "literacy" course, but they do not offer a draft syllabus, a critical omission in my opinion.²⁰

5. The Case for an Economic History Requirement

I have shown that very few PhD programs in economics in the United States today – 10 percent, as a round number -- require a graduate level course in economic history. Can a case be made that some or all of the 90 percent that do not are making a mistake?

The reason for asking the question is that economic history today is not your father's economic history. As I have argued elsewhere (Margo 2018), over the past few decades but especially for post-2000 PhD cohorts, economic history has "integrated" into economics, in terms of professional behavior. Young economic historians are socialized from the beginning of their graduate students to function in the same way as other economists – they use the same empirical methods, ask similar "causal" questions, and perhaps most importantly, publish with frequency in "top-five" journals and in field journals outside of economic history. On the flip side, there are now many economists whose primary scholarly identity is something other than

²⁰ Fogel and Galenson also note that the course they were refashioning focused on American economic history and that a companion course on European economic history needed to be developed. It is unclear who would have taught this course, given that McCloskey had left Chicago.

economic history who routinely “do” economic history – work with historical data, address historical questions, submit papers to economic history conferences and journals, serve as referees in the field, among other activities. In brief, boundaries between economic history and other subfields in economics have blurred significantly; scholarly identities are not as sharply defined as they once were.

There are many factors behind the integration of economic history into economics. In Margo (2018) I put forth an equilibrium argument rooted in supply side forces and academic labor market incentives. The critical supply side factor is the “overlapping generations” structure of the academic labor market. In the early years of the so-called “cliometrics revolution” two flavors of economic history became dominant. One flavor, which I associate with Robert Fogel, was essentially aimed at making history more “scientific”. After the novelty wore off, the audience within economics for this endeavor was always limited; to a first approximation, economists do not place great value on settling controversies in history or care much about the methodology of academic history. The second flavor, which I associate with Douglas North, posited a gadfly role for economic history – economic historians should be critical of existing theory because it failed to take account of crucial factors in long run growth. Together, the two flavors created an intellectual space in which economic historians could exchange ideas, but there was relatively little trade with the rest of the economics profession. This, I argue, was not a long run equilibrium.

Over time, the early cliometricians left the scene – this is the overlapping generations part of the story. To remain a part of the economics profession, younger cohorts of economic historians began “integrating” with the rest of the profession in various ways, but most prominently by publishing outside of economic history outlets. The trend in this direction was

steady by slow, until the post-2000 cohorts, by which time the influence of the early cliometricians on practice in the field had declined substantially.

Although I believe the supply side argument is empirically important, it is far from the full story – demand side factors also played a role. The demand side factors I have in mind are those that made historical evidence and data more relevant for mainstream economics.

One important example is the work of Acemoglu, Johnson, and Robinson (AJR). AJR argue that institutions established long ago, often for idiosyncratic reasons at the time, can have effects on growth and development lasting for centuries. In effect, AJR are claiming that modern day variation, for example, in per capita income cannot be understood as the outcome of contemporary choices and constraints or even their counterparts prevailing a few decades ago; it is the distant past that is still relevant. It is relevant because sunk costs and other factors make changing institutions difficult and hence prolongs the impact of the distant path.

The various AJR papers have proven extraordinarily popular, judging by citations – for example, AJR (2001) currently has nearly 12,000 Google Scholar cites, a remarkable figure. Even this greatly understates the impact however because the papers are routinely taught even to undergraduates, in courses far removed from economic history. In effect, AJR have created a subfield of economics, a “cross-over” between development, history, and political economy – the long run effects of institutions. In addition to AJR, historical evidence and argument figure in contemporary macroeconomics. The development of DSGE models have given macroeconomists a powerful tool for studying long run change in fertility, structural change, among other outcomes. The combination of the supply and demand side forces just discussed have created gains from trade between economic history and economics and therefore have increased the opportunities for economists to use historical evidence.

Another demand side factor, albeit indirect, is the increased emphasis, indeed requirement, of sound identification strategies in econometrics. Not that long ago, economists were very loose in their interpretation of regression coefficients, using the technique to “explain” economic change. There had long been a class of problems – measuring the elasticity of demand for a product for example – in which endogeneity concerns were obvious, justification of instrumental variables was often loose and arbitrary.

All this changed when economists began searching for “natural experiments” and other features of the economic environment which could be used to estimate causal parameters. To make a good case, however, often requires that the economist dive deep into the historical context of a given natural experiment. The necessary skills, however, are not those taught elsewhere in the graduate curriculum.

Does the integration of economic history into economics create a *prima facie* case for requiring that PhD economics students study history? Before considering an answer to this question, it is important to recognize that the nature of the justification is very different from that contemplated previously or in the classic “breadth” course. In Schumpeter’s time, one studies economic history to be aware of the limitations of economic models and their alleged context-specific limitations. For Fogel and Galenson, studying economic history was a quest for basic professional literacy – every economist, as it were, should know sometime about the Industrial Revolution and the Great Depression. The current day argument would be quite different – sooner or later, an empirical economist will come across a question for which historical evidence would be essential. Rather than passing the opportunity by, the broader development of the discipline would be served by seizing the moment, which would necessitate a course providing some background in historical data and methods.

There may come a point in the evolution of economics that historical methods and evidence are so ubiquitous that the argument just made would have wide resonance. However, at present I think the case is, at best, weak for a general course in the first year, on the grounds that some fraction would later write an historical paper. While the use of historical evidence in economics is certainly increasing it is not sufficiently common, in my opinion, to warrant a separate required course. What the recent trend does suggest that a case can be made for departments to hire scholars who have economic history as one of their special fields, even if the hiring department does not offer the field itself. Such scholars can serve as research collaborators with others who wish to do research in economic history, and can advise doctoral students on their projects.

6. Concluding Remarks

Only a small fraction of PhD programs in economics in the United States today require students to take a course in economic history. A slightly larger fraction will receive some instruction, because their program offers a field in economic history but even this is unusual. In terms of required coursework, this is not a recent departure from a glorious past. I argue that the long run pattern follows an inverted U. Before World War Two most economics programs did not have required coursework, except perhaps in economic theory. In the early 1950s the American Economic Association published a monograph in which the author, Howard Bowen, advocated for a first year core curriculum, including instruction in economic history. It is probable that some programs initiated requirements in response to the Bowen monograph, but by the 1980s and 1990s, the trend was to dispense with the history requirement, completely the opposite of the dominant trend of requirements in mathematics, microeconomics,

macroeconomics, and econometrics. This core is ubiquitous today, whereas “breadth” instruction – be it in economic history or history of economic thought – is very uncommon.

Why did programs abandon the history requirement? To gain some insight, I consider an early 1980s memo from the University of Chicago written by Robert Fogel and David Galenson. Fogel and Galenson lay out an argument in favor of a requirement that emphasizes the need for professional economists to have some basic knowledge (“literacy”) of economic history. I argue that, in the context of the era, the memo’s arguments were not persuasive. The vast majority of economists had satisfactory careers without ever having taken a graduate course in economic history. It is doubtful the same would have been true without the rest of the core.

At the time that Fogel and Galenson wrote their memo and notwithstanding the Cliometrics revolution, economic history was becoming isolated from the rest of economics. In the recent past, however, professional economic history in the United States has been largely integrated into the rest of economics. While still somewhat uncommon, increasingly empirical economists who are not trained in economic history will nevertheless use historical data or tackle an historical topic. Without specialized training, however, it is easy to make mistakes. I argue, however, that by itself this is not sufficient reason to require coursework in economic history although it may make a case for more programs to offer field courses.

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Table 1: The Economic History Requirement: US PhD Programs Today

A. Cross-classified by Presence of Economic History Field

	Has Formal EH field	Does not have formal EH field	Totals
Has EH requirement	11	1	12 [10%]
Does not have EH requirement	12	96	108
Totals	23 [19.2%]	97	120

Source: compiled by the author from websites listed at <https://www.aeaweb.org/resources/students/schools>

B. PhD programs with Economic History Requirement Today

CUNY

Harvard University

Northwestern University

Rutgers University

Stanford University

University of California, Berkeley

University of California, Los Angeles

University of Massachusetts, Amherst

University of Southern California

University of Utah

Vanderbilt University

Yale University

C. PhD programs that had an Economic History Requirement but No Longer

Massachusetts Institute of Technology

University of Arizona

University of Chicago

University of Illinois

University of Maryland

University of Michigan

University of North Carolina

University of Pennsylvania

Table 2: Economic History Share of Economics PhD Dissertations, 1904-Present

Period	EH Percent
1904-08	18.6%
1909-13	14.1
1914-18	15.7
1919-23	14.5
1924-28	9.5
1935	7.4
1945	6.7
1955	2.4
1986-90	1.8
1991-95	2.1
1996-2000	2.0
2001-05	1.5
2006-10	1.4
2011-15	2.3
2016-17	2.0

Source: provisional estimates by the author. 1904-28: Froman (1930). 1935-55: hand-collected from lists of dissertations published in the American Economic Review; 1986-2017: Boolean search for “economic history” in text of economics dissertations in EconLit