



**BACHELOR OF
ECONOMICS**
THAMMASAT UNIVERSITY

Course Outline

EE302 HISTORY OF WORLD ECONOMY

Semester 2/2025

Class Time and Logistic

Class day: Mondays
Class time: 9:00 – 12:00
Venue: Rm. 202, Econ Building
Teaching Materials Platform:
Google Classroom Code 2h6uzox
Moodle Code TBA

Instructor: Dr. Brian Kennedy

Name: Dr. Brian Kennedy

Office Hours: Monday and Friday when not teaching

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Phone: 081-442-7426

Number of credits: 3 credits

Course Content:

Study and analysis of world economy with an emphasis on the economic expansion of Western territories between the 14th and the 21st centuries. Emphases are given to contextual changes in economy, geography, history society, culture, religion and politics as the role of determining economic leadership of certain economies, such as Italy, Portugal, Spain, the United Kingdom, Belgium, the Netherlands, France, Germany, Sweden, the United States and Japan.

Course Objectives:

This class has three primary purposes. Firstly, it is to identify the major economic changes that have occurred throughout world history, and to analyze what they were, when they occurred, and why. Thus, students will be expected to know (or learn) the basic outlines of world history, so that they can learn how economic rules have shaped it.

Secondly, the class seeks to demonstrate how the rules and laws of economics are universal; they apply through time and space. Thus, students will learn how complex organizations have been created throughout history, how material, technological and human capital limitations have influenced societies and history, and how different societies have solved similar problems in different, and similar, ways. And they will learn how the laws of economics apply in non-market economies, how decisions and resources are allocated in the absence of modern markets.

Finally, the class will explore the economic, societal and political prerequisites of economic growth. Economic growth throughout history shows some persistent patterns, and these patterns apply to today, as well as the past. Different theories of growth and development stress different factors as being key; the answer to the question of what specific factors are necessary for sustained economic growth has great import to the world today.

Prerequisites:

Econ 211 (introduction to economics) is not a prerequisite for this course, though it will be very helpful. While this course will be very non-mathematical, a certain degree of familiarity with economic terms and concepts is assumed. A basic knowledge of world history is also assumed for this course. Students should be familiar with the broad outlines of world history. Certain periods of history will be highlighted in greater detail, to demonstrate or illustrate concepts taught, but students will not be expected to know these periods in detail before class.

Text: (Moodle Code – TBA)

There is not a standard text for this subject, and most of the books on the subject assume either an extensive working knowledge of Western History, or a great deal of familiarity with economic subjects; often the books assume both. As such, the material for the course will come from several sources, all collected into a general reader. The readings are drawn from the books and articles listed below. All books are available in my office, for those who want to read deeper into the topics.

Landes, David, The Wealth and Poverty of Nations, New York, W.W. Norton and Company, 1999

Cameron, Rondo and Larry Neal, A Concise Economic History of the World: From Paleolithic Times to the Present, New York, Oxford University Press, 2003

Jones, Eric, The European Miracle: Environments, Economies and Geopolitics in the History of Europe and Asia, New York: Cambridge University Press, 2003

North, Douglass C. and Robert Paul Thomas, The Rise of the Western World: A New Economic History, New York; Cambridge University Press, 1973

North, Douglass C., Structure and Change in Economic History, Douglass C. North, W.W. Norton and Company, New York, 1981

Mokyr, Joel, The Lever of Riches: Technological Creativity and Economic Progress, New York, Oxford University Press, 1990

Clark, Gregory, A Farewell to Alms: A Brief Economic History of the World, Princeton, Princeton University Press, 1997

Mentioned Texts:

These are books that have had a significant impact outside economics, which will be briefly covered in class. Again, they are available, but are not required for class.

Olsen, Mancur, The Rise and Decline of Nations, New York, Yale University Press, 1981

Kennedy, Paul, The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000, New York, Vintage Books, 1987

Diamond, Jared, Guns, Germs and Steel: the Fates of Human Societies, New York, W.W. Norton and Co, 1999

Evaluation:

The class evaluations will be based on two exams, given throughout the semester. Each exam will be 1½ hours in length, students will have a choice of what questions to answer. A sample exam will be passed out before the midterm.

Midterm: 40%

Final: 60%

Cheating:

Don't. If you do, and I catch you, you will be reported to the program director for appropriate punishment. At a minimum, you will receive a zero on the exam you are caught cheating on, other punishments include automatically failing the course, and being suspended for one (or more) semesters.

Topics:

Below is a tentative course outline. Depending on student knowledge, some parts may move a little faster or slower. Certain classes, will involve a more in depth analysis of historic facts; essentially I will use those classes to make sure you know the history of the period well enough to discuss the economic underpinnings of it. Other classes will delve into economic theory more.

Introduction: Homo economicus throughout time. Economic history, vs. history of economics. Economics as human capital. People as rational beings. Evolutionary models of economic progress. The S curve. Humans as social animals.

Week 1a The world 10,000 B.C.

Prehistoric man. The hunter-gatherer tribe. Population pressure, and **the S curve**. Property rights. **Marginal values** of everything. The jungle wasteland. **Time allocation and gender roles**.

Two Models of early Population growth. Jared Diamond/Kemmer model. Property **rights, spillover effects**. The conservative (safety) bias of society, and **risk adverse** tribes. **Early trade and specialization**. **Comparative and absolute advantage** in family production.

Week 1b – The world 7,000 B.C.

The first agricultural Revolution. **The North Model**. **Olsen's roving bandit** model. The **raw materials** of agricultural growth, **factors of production**. The beginning of **property rights**, and **economic specialization and social classes**.

Week 2a – The world 3,000 B.C.

The second agricultural revolution. The birth of empires. The **Hydraulic society**. The **problem of coordination**. **Technological problems vs. institutional problems**. Ancient Babylon. Ancient

Assyria. Ancient Egypt. Ancient China. Ancient India. The **holdout problem** in irrigation. **Transaction costs**. “**The Surplus**”, and the use(s) of it.

The north model of government. The Olsen model of tyranny. Ancient **public goods** vs. **publicly provided goods**.

Week 2b The world 431 B.C.

Trade and Money. **Coinage and agoras**. The role of money. The greek city states. Transportation costs. Specialization and **Smithian growth (pt. 1)**. Government as other than tyranny. **Colonization. Incentives. Planned vs. emergent organization**. Athens and Sparta, Citizens and Helots. Natural disasters and the end of capital. Relative effects on Capital and Labor.

Week 3a The world 1 A.D.

Empire: The Romans. Roman law and courts. The **economics of the Law**. Organizational genius. **Smithian growth, absolute and comparative advantage in a large empire. Economies of scale** for enterprises and states. Roman agriculture, the **slave system**. Extended example: The Roman legion, and the complexity of ancient societies. Baumol, good and bad **entrepreneurship**.

Week 3b The world 478 A.D.

The Roman decline. The technological explanation (North). The biological explanation (xxxx). The military explanation (Luttwak, Higgens). The **distributive coalition** hypothesis (Olsen). Also, Byzantium, and early Islam.

Week 4a Interlude -- Taking stock of the world, and how it was governed.

The state. Theories of the State. North. Olsen, Others. Going back in time: China, Egypt, Persia, Greece, Rome, The Barbarians.

Week 4b The world in 1066 A.D.

The Early middle ages and the problem of security. Feudalism and the Manorial system. The western world. Violence. Trade as a public good – “the encompassing interest”. Economies of scale in violence. The feudal system of national defense. Self-sufficiency, the absence of encompassing power. Political competition. The role of military technology. A model of path-dependent military dominance, the hurdle effect on a new Rome – monopoly and barriers to entry.

Week 5a The world of 1348

The Black Death. Recap of Diamond hypothesis. The effect on Europe, the Middle East and Asia. The Malthusian hypothesis. Relative prices of factors of production. Changes in the status of the peasantry. Legal rights. The Rebirth of Mediterranean trade, and the new commercial organizations – banks, insurance, corporations, double entry bookkeeping, credit, etc.

Week 5b The world of 1500

The age of exploration. Portuguese and Chinese fleets. Columbus and the new world. The Aztecs, incas, and silver. The gunpowder revolution, the end of feudalism and the rise of the nation state. European economies – The Netherlands, England, Spain, France. The three field system. The market economy, the common law system. Thick markets.

Week 6a The world of 1700

The early industrial revolution, mercantilism, colonies and trade.
Narrative of the industrial revolution 1
Theories of the industrial revolution 1

Week 6b The world of 1850

Narrative of the industrial revolution 2
Narrative of the industrial revolution 2
Schumpeterian growth, rising productivity. Escape from Malthusian economics. Free trade, most favored nation status. The Technological arms race.

Week 7a The world of 1914

The later industrial revolution, imperialism, free trade, global smithian growth (globalization), trade unionism, the beginning of the welfare state. Central planning, Marxism (fascism), and the USSR.

Week 7b The world of 1948

Standardization, global monopolies and cartels

Week 8a The world of 2005 A.D.

The (non) importance of resources. Human Capital and the Asian Miracle. (idea – Arab and Asian face). The Modern Welfare State. Petrocracies. Free trade and modern finance. The role of economics in economies. Public choice theory. The bureaucratic state.

Course Evaluation:

Type of evaluation	Evaluation Method	Evaluation date
Midterm Exam	40%	Monday, February 23, 2026 09:00–11:00 hrs.
Final Exam	60%	Tuesday, May 5, 2026 09:00–12:00 hrs.