

Abstracts, Classifications and Authors

I. Abhandlungen und Studien

Jan-Otmar Hesse/Mark Spoerer: Inequality, Well-Being and Happiness in Historical Perspective

Abstract

Happiness research is a comparably new field of economics. Until Richard Easterlin's seminal contribution published in 1974, most economists believed there to be a clear and positive correlation between the material standard of living and subjective well-being (or happiness). Economic happiness research has found that, although income matters, inequality, other economic and non-economic factors also play an important role in subjective well-being. Although economic happiness research usually requires longitudinal data, there has so far been no cooperation with economic history.

We argue that contact between these fields might be mutually beneficial to both sides. On the one hand, economic historians are experts on historical datasets and qualitative sources and can assist economists in their quest for information prior to the 1980s. On the other hand, the results of happiness research are valuable for analyzing problems in (economic) history for which traditional economic theory has proved to be insufficient.

Keywords: economic history, happiness research, subjective well-being

JEL-Codes: N 14, D 31, D 63

Mark Spoerer is professor of economic and social history at the University of Regensburg. His research topics include German economic and business history of the 19th and 20th centuries, forced labour in the two world wars and European agricultural policies in the 20th century. Among his most recent publications are: "Fortress Europe" in Long-term Perspective: Agricultural Protection in the European Union, 1956-2003. In: Journal of European Integration History (2010); The Evolution of Public Finances in Nineteenth-Century Germany. In: J. Cardoso/P. Lains (eds.), Paying for the Liberal State, Cambridge 2010 and The imposed gift of Versailles: the fiscal effects of restricting the size of Germany's armed forces, 1924-9. In: Economic History Review (2010, joint with Max Hantke).

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Carola Gruen and Stephan Klasen: Income, inequality, and subjective well-being: an international and inter-temporal perspective using panel data

Abstract

In this paper we present new quantitative results on the linkages between absolute income levels, relative incomes, income inequality, and attitudes towards redistribution in a large sample of countries over the past 30 years. While we find that absolute income levels have a significant but very small effect on well-being, we find that relative incomes matter much more. In addition, we find that preferences for inequality are a significant driver of well-being. Lastly, we observe that overall inequality has an additional negative impact on well-being in a country in all three country-groupings. Taken together, this suggests that inequality has a rather strong negative impact on well-being. In fact,

depending on the context, reducing inequality can do more to promote subjective well-being than increasing economic growth.

Keywords: life satisfaction, income, inequality, panel data

JEL-Codes: D 31, D 63, P 36

Stephan Klasen is Professor of economics at the University of Göttingen. There he also directs the Ibero-America Institute of Economic Research and the Courant Research Center 'Poverty, equity, and growth in developing and transition countries.' He holds a Ph.D. in economics from Harvard University where his dissertation (supervised by Amartya Sen and Jeff Williamson) examined episodes of gender inequality in mortality in Germany in the 17th-19th century and in today's developing countries. He has since held positions at the World Bank, King's College (UK), and the University of Munich. His research focuses on poverty and inequality issues in developing countries.

Carola Gruen is working for the Europe and Central Asia region at the World Bank, Washington, DC. She holds a PhD in Economics from the University of Munich. She has previously held positions at the University of the Witwatersrand, Johannesburg, the Institute for Employment Research, Nuremberg, and the University of Goettingen. She mainly works on poverty and welfare measurement related topics as well as labor economics in developing and transition countries.

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Michael Pammer: Interregional and Intraregional Wealth Inequality in Nineteenth Century Austria

Abstract

The paper addresses changes in income and wealth inequality in the first decades of modern economic growth. It relies on wealth data gained from probate inventories established in those provinces of the Habsburg Empire that eventually formed the Republic of Austria. These sources cover the whole population in the period between 1820 and 1913, including unpropertied persons. The analysis is based on a sample that consists of about 7,000 cases. The paper first examines wealth distribution on an aggregate level, using the Gini coefficient as a measure of inequality. It shows that the Austrian economy follows a Kuznets curve but that rise and decline are not particularly steep. These results are then compared with development within the regions, which yields quite different results for the regions involved. These results do not show the consistent picture of high inequality in more advanced regions and low inequality in backward regions that might be expected following the basic assumptions underlying the Kuznets curve. The explanation of the specific development within the different regions includes factors like class structure, family structure and patterns of inheritance, which explain why sectorial change, urbanization and other processes did not create a uniform pattern of wealth distribution in those provinces.

Keywords: wealth, Kuznets curve, distribution, inequality, Austria, 19th century, regional comparison

JEL-Codes: N 33, N 93

Michael Pammer (born 1962) studied law and history at the University of Salzburg (J. D. 1985, Ph. D 1991). From 1992 onwards, he has been Assistant Professor (1992) and Associate Professor (2001) of Economic and Social History at the Johannes Kepler University. 1994-1995 Erwin Schrödinger Fellow at the University of Minnesota. Books: *Glaubensabfall und Wahre Andacht* (1994), *Entwicklung und Ungleichheit* (2002), *Die Rückstellungskommission beim Landesgericht für Zivilrechtssachen Wien* (2002), *Jüdische Vermögen in Wien 1938* (2003), *Österreichische Industriegeschichte 1848-1955* (2004,

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Joël Floris, Ulrich Woitek and Gabriela Wüthrich: Income Inequality amongst Swiss Primary School Teachers in the Late 19th Century

Abstract

We examine the distribution of income across Swiss primary school teachers at the end of the 19th century. To assess income differences we use a detailed data set on the income of 14,000 Swiss primary school teachers in 1881 and 1894/95. In addition, we use annually aggregated test scores from pedagogical examinations at recruitment, to test for the impact of inequality on conscripts' performance. Our results show that between-group inequality amounts to about 35 per cent of total income inequality, and that teachers' income inequality does not play a role in explaining differences in the performance of conscripts in the pedagogical examinations.

Keywords: Inequality, Teachers' Income, Switzerland

JEL-Codes: N 33, D 31

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Mark Spoerer and Jochen Streb: Guns and Butter – But No Margarine: The Impact of Nazi Economic Policies on German Food Consumption, 1933-38

Abstract

The German population's material standard of living during the 'peace years' of the Nazi regime (1933-38) is much debated. We use hitherto disregarded consumption data and the axiom of revealed preferences to test whether the material standard of living improved. We find that the food consumption bundle realized in 1935-36 must have been inferior to that of 1927-28, despite GDP per capita being much higher. Even in 1937-38 consumers were probably worse off compared to 1927-28. We conclude that increasing consumption constraints forced German consumers to diet and thus to a material standard of living that was much more frugal than national income figures suggest.

Keywords: consumption; revealed preferences; Third Reich

JEL-Codes: N 34, D 12, P 46

Mark Spoerer is professor of economic and social history at the University of Regensburg. His research topics include German economic and business history of the 19th and 20th centuries, forced labour in the two world wars and European agricultural policies in the 20th century. Among his most recent publications are: "Fortress Europe" in Long-term Perspective: Agricultural Protection in the European Union, 1956-2003. In: Journal of European Integration History (2010); The Evolution of Public Finances in Nineteenth-Century Germany. In: J.Cardoso/P. Lains (eds.), Paying for the Liberal State, Cambridge 2010 and The imposed gift of Versailles: the fiscal effects of restricting the size of Germany's armed forces, 1924-9. In: Economic History Review (2010, joint with Max Hantke).

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Fabian Wahl: Die Entwicklung des Lebensstandards im Dritten Reich – Eine glücksökonomische Perspektive / The Development of the Standard of Living in the Third Reich – A Happiness Economics Perspective

Abstract

The aim of this paper is to provide an explanation for the remarkable difference in the contemporary Germans' positive self-assessment of their living conditions and the development of the most important economic welfare indicators (like GDP or consumption per capita) during the Third Reich. To explain this discrepancy, findings from the new research field of happiness economics are applied to the peacetime Third Reich to analyze the development of the standard of living in this period. To start with, the development of the most important economic determinants of happiness during the 1930s is examined, based on current life satisfaction studies. In the second step, the theory of adaption and aspiration is used to explain the growing satisfaction of the Germans after the Great Depression.

Keywords: Economic History, Third Reich, Happiness Economics, Standard of Living

JEL-Codes: D 10, D 12, N 34, N 94, I 31

Fabian Wahl, geb. 1987 in Weingarten, machte sein Abitur 2006 am Wirtschaftsgymnasium der Humpis-Schule Ravensburg. Im Jahr 2007 begann er ein Studium der Wirtschaftswissenschaften mit den Schwerpunkten Ökonometrie, Industrieökonomik und Historische Wirtschaftsforschung an der Universität Hohenheim (Stuttgart). Im Jahr 2010 beendete er dort sein Studium mit dem Grad eines Bachelor of Science. Im September 2012 beendete er an der Universität Hohenheim sein Masterstudium im Studiengang Economics (MSc.) Seit Oktober 2012 ist er Doktorand am Lehrstuhl für Wirtschafts- und Sozialgeschichte an der Universität Hohenheim (Prof. Sibylle Lehmann, PhD).

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Jan-Otmar Hesse: German University Professors' salaries in the 20th century. A Relative Income Approach

Abstract

This article presents a new estimate for the income of German university professors in the 20th century, using university archives as its main source. With these figures we reject the decline-perspective that has been predominant in the literature, influenced especially by Fritz K. Ringer's book. We compare the professors' salaries to those in leading occupations in private business, as well as state bureaucracy and find that relative income level developed in a similar fashion up to the 1970s. The 1970s were identified as a crucial turning point, as university professors started to fall behind their comparative social groups in alternative job markets. Making use of the literature on relative income, the article suggests the university professors changed their group of comparison in questions of remuneration during the course of the 20th century, so that the decreasing internal income-inequality affected their well-being more than the increasing gap to salaries outside universities.

Keywords: German Economic History, History of Labour market, history of science, Income Inequality

JEL-Codes: J 31, J 45, N 34

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II. Forschungs- und Literaturberichte

Richard Tilly: Konkurs: ein unverdientes Ende? Das Schicksal der Willy H. Schlieker KG, 1962-1967 / A Controversial Bankruptcy: The Fate of the Willy H. Schlieker Concern, 1962-1967

Abstract

The paper briefly describes the colorful career of the West German entrepreneur, Willy H. Schlieker and the rise to prominence of his one-man business conglomerate. It then goes on to discuss reasons

and three hypotheses which purport to explain the company's failure: entrepreneurial failure, a conspiracy among a number of his powerful creditors who were also competitors interested in eliminating an uncomfortable business rival; and the self-interested behavior of the court-appointed insolvency administrator. It concludes that the fate of Schlieker's company was sealed by the way the administrator conducted bankruptcy procedures.

Keywords: Wirtschaftswunder, Bankruptcy, enterprise finance, shipbuilding

JEL-Codes: N 24, N 74, N 84, K 35

Richard Tilly is emeritus professor of economic and social history at the University of Muenster. From 1966 to 1998 he was director of the Institute for Economic and Social History at that university. His books include *Geld und Kredit in der Wirtschaftsgeschichte* (2003) and *Willy H. Schlieker: Aufstieg und Fall eines Unternehmers (1914-1980)*. His most recent publication is *The Distribution of Personal Income in Prussia, 1852 to 1875: An Exploratory Study*, in *Jahrbuch fuer Wirtschaftsgeschichte* 2010/1, pp. 175-194.

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Felix Selgert: Civil Servants' Living Standards in the Grand-Duchy of Baden, 1780-1913

Abstract

It is argued that from the early 19th century onwards Civil Servants received a remuneration that ensured a good standard of living and reflected social status. Yet, there are few empirical studies which test this hypothesis. This article attempts to bridge this gap by computing real living standards of district magistrates in Baden during the 19th century using a new consumption basket reflecting the material and social needs of members of the upper class. The empirical analysis shows that district magistrates had a high material living standard, as well as a high position within the income distribution. However, living standards were already high during the 18th century in both absolute and relative terms. Furthermore, absolute and relative living standards decreased from the mid-century onwards, negatively impacting district magistrates' privileged position within society.

Keywords: Living Standard, Civil Servants, Baden

JEL-Codes: N 93, N 33

Felix Selgert is Research Assistant at the Chair of Economic History at the University in Mannheim. He studied Economics and History at the University of Mannheim between 2003 and 2007. Since 2007 he has been working on his PH.D. thesis about the implementation of legal and administrative reforms in Baden during the 19th century.

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III. Kölner Vorträge

Robert C. Allen: Warum sind manche Länder reich und andere arm? / Why are some countries rich and others poor?

Abstract

Why are some countries rich and others poor? The lecture explores the interplay of geography, globalization, technological change, economic policy, and institutions, to show how they have determined the wealth and poverty of nations around the world. Using historical examples to analyse the factors that have influenced growth, the lecture exposes what has caused the unequal world we live in today.

Keywords: Industrial Revolution; Industrielle Revoltion; Industrialisierung; Wohlstand

JEL-Codes: N 10, O 1, O 2, O 3, O 4

Robert Allen is Professor of Economic History at Oxford University and a fellow of Nuffield College. He received his doctorate from Harvard University. He lectured at the University of British Columbia from 1975 to 2001 when he moved to Oxford. Allen has written on English agricultural history, international competition in the steel industry, the extinction of whales, and contemporary policies on education. His articles have won the Cole Prize, the Redlich Prize, and the Explorations Prize. His books include *Enclosure and the Yeoman: The Agricultural Development of the South Midlands, 1450-1850* (2009), and *Farm to Factory: A Re-interpretation of the Soviet Industrial Revolution* (2003), both of which won the Ranki Prize of the Economic History Association, *The British Industrial Revolution in Global Perspective* (2009), and *Global Economic History: A Very Short Introduction* (2011). Currently, he is studying the global history of wages and prices and pre-industrial living standards around the world. Robert Allen is a Fellow of the British Academy and the Royal Society of Canada.

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