



Department of
Economic History ■

Alumni Newsletter

Spring Term 2023-24

Welcome, from Head of Department, Professor Patrick Wallis



Greetings from Houghton Street as we prepare for Spring Term. Although a shorter term of only 7 weeks, and largely taken up by exams, there's still plenty going on and it feels like we, somehow, manage to squeeze 11 weeks' worth of activity into it!

Back in Autumn Term I told you about our exciting grant with the Historical Association in which colleagues Leigh Gardner, Tirthankar Roy, and Mohamed Saleh were working with teachers to bring their research on the economic history of colonialism into the history classrooms of secondary schools. The residential session was held at LSE on 12th and 13th April, and a group of 10 very eager teachers participated in an intense workshop. You can read more about it later in this newsletter.

Recently, Julius Koschnick and Charlie Udale have successfully completed their vivas and been awarded their

doctorates. Julius's work examines the ways in which connections between academics and thinkers affected the development of the Scientific Revolution, by exploring networks of students and teachers at Oxford and Cambridge. Charlie also works on early modern economic history, but took on plague – before covid made epidemics fashionable again. Among Charlie's most striking findings is that household lockdowns in 16th century cities slowed the spread of plague, but did not lower overall mortality: instead, families died together.

It was great to see so many friends at our recent Epstein Lecture (7th March). James Feigenbaum of Boston University gave an interesting talk on census-linking and how new technology makes it easier for us to follow individuals over time – with a particular focus on telephonists in Boston. If you missed the lecture, you can watch the recording [here](#).

Oliver Volckart's research on the creation of a common currency in 16th century Germany is the subject of a book *The Silver Empire. How Germany Created its First Common Currency* ([OUP](#)); a free exhibition at the Ashmolean Museum, Oxford [Money in Renaissance Germany](#) (12 Jan – 10 Nov); and a special book launch event here at LSE on 9th May, see the [event page](#) for full information on how to attend.

We are also very pleased to announce that Janet Hunter, Saji Emeritus Professor of Economic History, will deliver a lecture on 22nd May, focussing on her work around the Great Kantō Earthquake of 1923, Japan's most serious natural disaster of modern times. You can find out more, including how to attend at the [event page](#).

Please do stay in touch – we'd love to know what you've been up to.

Patrick Wallis

Congratulations

To Chris Minns who has been elected Fellow of the Academy of Social Sciences.

Fellows are elected for their substantial contributions to social science. This is much more than economic history: fellows are active in a range of areas including land law reform, rural socio-economic change, ageing populations, urban development challenges and migration.

On announcing the Fellows, the President of the Academy, Will Hutton, said: "At a time when the importance of the social sciences to addressing many pressing issues cannot be overstated, it's a pleasure to welcome these 41 leading social scientists to the Academy's Fellowship. Their contributions have furthered our understanding in tackling a wide range of societal challenges including mitigating health and economic inequalities, understanding the causes and effects of hate crime, the development of inclusive practices in education, and the future of cities. We look forward to working with them to

further promote the vital role the social sciences play in all areas of our lives."

And also to Safeena Husain (BSc Economic History 1995), Founder and Board member of Educate Girls a non-profit organisation that aims to bridge the gender gap in education in India, who will receive an Honorary Degree on 29th May.

You can read more about Safeena and her work [here](#).

Faculty Research

In a recent blog post, to tie in with the publication of an article in [The Economic History Review](#) Mohamed Saleh (left) and his co-author Cihan Artunç, Middlebury College (right), examine why a segment of Egyptian non-Muslims chose to place themselves outside the reach of local courts by adopting semi-colonial institutions.



In the Ottoman Empire, the transplantation of European legal systems towards the end of the nineteenth century was preceded by a semi-colonial institution known as a capitulation, under which Europeans were subject to their own home jurisdictions. In nineteenth century Egypt, the option of extraterritoriality was extended to local non-Muslims on a case-by-case basis. Egyptian non-Muslims could individually acquire legal protection from European consuls. If granted, these Egyptians became 'protégés': pseudo-European nationals with extraterritorial privileges. Legal protection removed protégés

from the reach of state courts and placed them under the jurisdiction of consular courts. This created an unusual situation, where a small portion of the population was able to opt into their preferred legal system. This context allows the authors to understand what determined the preferences over different legal regimes.

They focus on two possible theories for legal adoption. The first is the legal quality hypothesis. The legal quality hypothesis views acquiring the protection of a European consulate as a flight from local laws to the more effective business organization rules of European laws. This hypothesis implies that, absent the prohibition of adoption, a sizable proportion of local non-Muslims, especially those in commerce and finance, would opt out of the Egyptian system. It also implies a hierarchy among European jurisdictions. Some countries' legal rules might provide better enterprise forms, financial techniques, or litigation practices than others.

The second is the legal uncertainty hypothesis. It explains the demand for legal protection through improvements in contractual credibility in an environment where multiple legal systems coexisted. The European consular courts had competence over commercial and civil affairs involving their nationals. With more than fifteen overlapping jurisdictions, this framework led to considerable uncertainty about which law would apply to contracts involving Europeans and locals. One way to grapple with this uncertainty was to become a protégé of the other contracting party's consulate, which placed both contracting parties under the same law. This hypothesis implies that only local non-Muslims who were involved

in contractual relationships with Europeans were likely to demand European legal protection. Under this theory, it is not the substantive content of the law but proximity to others under its jurisdiction that decides the take-up.

To investigate these hypotheses, the authors use a novel data source: Egypt's individual-level population census samples of 1848 and 1868 that were digitized from the original Arabic manuscripts at the Egyptian archives by Mohamed Saleh.

The census records show that only a modest 600-1000 protégés were active in Egypt between 1848-68. There was no mass flight out of state courts, even among local non-Muslims active in enterprise. The data also do not show a clear hierarchy of legal regimes. Business-friendly reforms instituted by various European countries were not followed by an increase in demand by would-be protégés. This macro-evidence thus does not support the legal quality hypothesis.

Rather, occupational and spatial networks were critical determinants of how legal protection expanded. As Europeans became more prominent in an occupation or neighbourhood, more local non-Muslims sought to become protégés. A one-standard-deviation rise in the proportion of Europeans in the occupation doubled the probability of becoming a protégé among local non-Muslims. Given the small number of observations, it is more difficult to investigate whether they adopted the same legal systems as their European neighbours. There is suggestive, but inconclusive, evidence that protégés selected into the polity of their European neighbours.

As highlighted by the data, the proliferation of European consular

courts with overlapping jurisdictions caused uncertainty about which law would apply and in which court a case would be heard. In contradiction to the legal quality hypothesis, no legal system emerged to become the main courts ruling over commerce. This was only effectively resolved by a comprehensive reform: the creation of the Mixed Courts in 1875. But until then, as Mohamed Saleh and Cihan Artunç show, local non-Muslims chose European courts when business and proximity, or contractual relationships with Europeans more broadly, made it opportune, not because of the inherent relative efficiency of European laws over local institutions.

Read the full article [here](#)

Student Research

The National Gallery as Institutional Investor



By Luisa Bicalho Ritzkat, PhD student

The [National Gallery, London](#) celebrates its bicentennial this year. In honour of that milestone, Luisa Bicalho Ritzkat presents findings from her research in which she is quantifying the gallery collection's nominal rate of return across the twentieth century. Her work reveals that the National Gallery's returns were higher than previous estimates, competitive with traditional asset classes.

The National Gallery welcomes millions of art-loving visitors each year to view its collection of over 2,300

works. Europe's other renowned art museums, such as the [Uffizi](#) and the [Louvre](#), have historical roots in royal collections. Young nation-states made these collections public, transforming regal assets into national art museums. In Britain, however, the royal collection remained with the monarch. Instead, in 1824 the British government bought 38 paintings from the heirs of London banker John Julius Angerstein, and thus began the National Gallery.

The institution has maintained an active role in art markets, acquiring about two-thirds of its collection through art dealers and auctions (Figure 1). My research looks at the institution as an art investor, asking how well the institution's 'investment portfolio' has performed over the twentieth century.

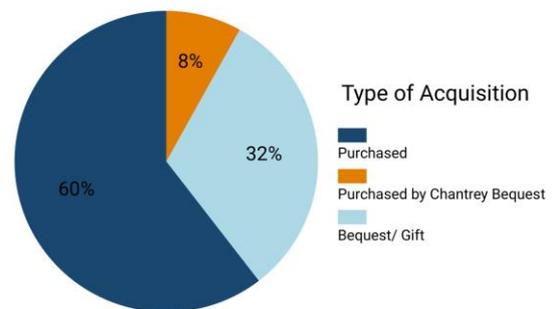


Figure 1: National Gallery acquisitions by type

Using Insurance Valuations to Track Asset Returns

I constructed a data set containing all artworks purchased by the National Gallery between 1824 and 1914. The collection totalled 3,678 paintings, almost half of which are today housed in Tate Britain. From the archives of both museums, I transcribed the insurance valuations of each artwork to track its value up to the year 1994.

Insurance valuations reflect the artworks' market value better than the more traditional measure of auction prices. Curators base their insurance valuations on the market value of the artwork. Auction prices can deviate from a painting's true market value because of day-specific characteristics e.g. reputation of the auction house, the order of items auctioned.

Curators review an insurance valuation whenever an institution lends out an artwork for an exhibition. For example, the gallery might lend an item from their collection to the Louvre for three months or tour an exhibition around the UK. The timing of the valuations therefore differs across artworks.

I created a hedonic index on the National Gallery collection, since simply averaging returns would bias my estimate with time-effects. The idea of a hedonic regression is that the price of an artwork is a function of its characteristics, which includes things like dimensions and the medium. A great advantage of studying a public collection is that all information about the artwork is available in catalogues upon request. The comprehensive level of detail incorporated into the hedonic index translated into an elevated explanatory power. With an R-squared above 80% my index explained more variability in the data than most comparable indices in the literature.

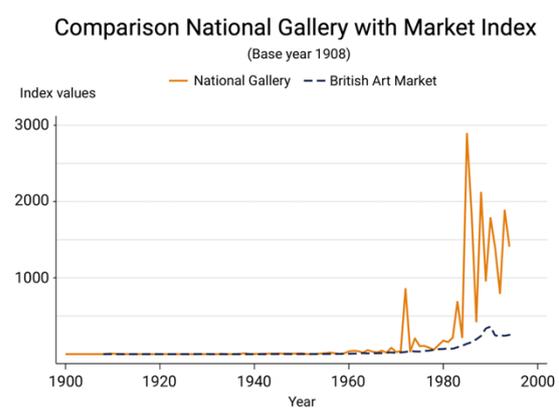


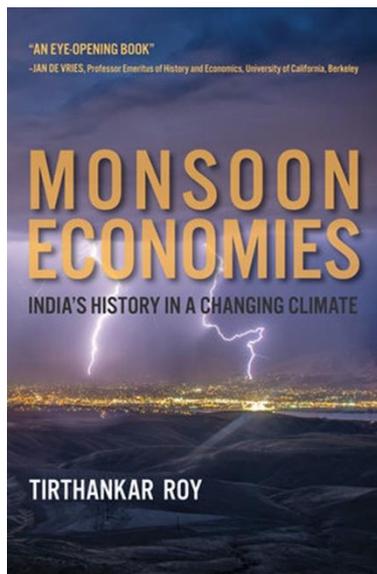
Figure 2: Graph showing per centage of National Gallery acquisition's by type

Not Your Average Art Investor

The National Gallery outperforms the British art market (Figure 2). The collection did particularly well in the last quarter of the twentieth century. Though the period was a boom for the art market in general, the National Gallery outperformed the overall art market.

My future research will go beyond estimating art returns to understanding the role of investor. The impressive performance of the National Gallery collection raises important questions about access to markets and information. How did the special role the National Gallery played on the art market, as both a centre of expertise and an institutional investor, affect its art investments? What role did information asymmetry play in shaping the National Gallery's art investment decisions and the performance of the institution's 'portfolio'?

EHAB Book Club



After a hiatus, we are in the process of organising the next session of the EHAB book club, where we will be discussing Tirthankar Roy's book [Monsoon Economies](#) (MIT 2022).

If you would like to join us, please complete [this form](#), and we'll let you know when the date has been fixed. It will be online and at a time that helps as many people attend as possible.

Events in Spring Term
As always, we have a variety of events that you are welcome to attend – in-person or online:

Epstein Lecture



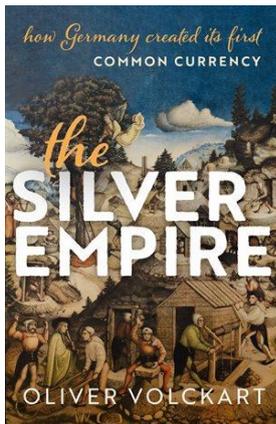
217 Million Census Records: Evidence from linked census data

On Thursday 7th March, James Feigenbaum, Boston University, delivered our annual Epstein lecture.

Using new historical census sources and advances in record linking technology, he showed how the ability to link individuals over time, and between databases, allows us to track intergenerational mobility, assimilation, discrimination and the returns to education.

If you missed it, you can find a link to the recording on the event page [here](#).

Public Event



[The Silver Empire: How Germany created its first common currency](#)

Thursday 9th May, 6pm, Alumni Theatre, Cheng Kin Ku Building

In his latest book, which forms the basis of this lecture, Oliver Volckart examines the conditions that shaped the monetary outlook of the member states of the Holy Roman Empire, paying particular attention to the uneven access to silver and gold. Following closely the negotiations that prepared the common currency, his is able to illuminate the interest groups that were formed, what their agendas and ulterior motives were, how alliances were forged, and how it was eventually possible to obtain majority agreement on what a common currency should look like: a silver-based currency that was introduced in 1559-66.

This event will be in-person only, but a recording will be made available shortly afterwards. Please see the [event page](#) for more information.

Public Event



The Economic Impact of Natural Disasters: Japan's Great Kantō Earthquake of 1923

Wednesday 22nd May, 6pm, Wolfson Theatre, Cheng Kiu Ku Building

The Great Kantō Earthquake of 1923 was Japan's most serious disaster of modern times, causing around 150,000 deaths and casualties and devastating large parts of the capital area. Focussing on the ways in which contemporaries sought to explain and analyse the economic impact of the disaster, Janet Hunter argues that while developments in the economics of disasters over recent decades may have provided us with more systematic and coherent frameworks for analysing and addressing the effects of a major natural disaster in a market economy, many of these ideas would have come as little surprise to commentators in 1920s Japan. In effect, the shared understanding of process and causality that existed in relation to the disaster foreshadowed later scholarship.

This event will be in-person only, but a recording will be made available shortly afterwards. Please see the [event page](#) for more information.

Profile

In this edition, we bring you more information on the residential course that we ran in association with the Historical Association which explored the economic history of colonialism and empire in South and South-East Asia, Africa and the Middle East in the 19th and 20th Centuries



Teachers from across the country came to London to work with Leigh Gardner, Tirthankar Roy and Mohamed Saleh alongside experienced teacher educators Robin Whitburn and Abdul Mohamud from Justice to History, to draw on their professional expertise and develop resources for classroom use.

By placing an increased emphasis on the perspectives of those colonised as well as from the colonial centre, the course aimed to reframe teaching of the British Empire to go beyond the traditional political narratives and to consider the influence of economy and culture by examining themes of globalisation, migration, global finance and environmental change.

The in-depth programme showcased stories of resistance to colonial economic activity by focussing on the Great Rebellion in India of 1857, the Urabi Revolt in Egypt 1879-82 and the Mau Mau Rebellion in Kenya in the

1950s. These acts of resistance to colonial power show how important economic issues were to the peoples of the empires, and highlight the links between economic, social and political developments.

As well as individual acts of rebellion, sessions highlighted the control of agriculture and other resources including water; an overview of the issues of economic development in trade; and an exploration of the various forms of labour in both European and indigenous enterprises.

These sessions were complimented by a review of the opportunities for planning enquiries through Key Stages 3, 4 and 5 and pedagogies for teaching about empires.

Teachers who signed up for the Residential will also participate in a 12 week online course and we hope to see some of these ideas and practices in the classroom soon.

If you would like to be featured as a profile article, or would like to nominate someone, or you have ideas of what you would like covered, please contact [Tracy Keefe](#)

Keep in Touch

Our [LinkedIn Group](#) now has nearly 350 members and is intended to help alumni and current students stay in touch. We regularly publish Departmental information, and we'd love to hear your suggestions about what else to include.

We have decided to decommission our [Facebook page](#), but could be persuaded to reconsider if enough people tell us they like it!

If you would like to receive details of news, working papers, events direct to your inbox, please complete [this form](#), and we will add you to our mailing list.

You can also Tweet us at: [@LSEEcHist](#) or follow us on [Instagram](#)

If you would like to get involved in our student mentoring programme, please contact [Oli Harrison](#), or if you have any suggestions for articles you would like to see covered in the newsletter, please contact [Tracy Keefe](#).

If you would like to receive copies of our newsletter direct to your inbox, just sign-up to the Alumni Network [here](#).