



Alumni Bulletin

Economic History Department

March 2013



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE ■

Keep in touch!

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LSE Events 2013

Speakers from all the
world will debate
subjects ranging from
the current economic
crisis, law, social justice, human rights
to the meaning of life. LSE Public
Lectures are open to all. To view the
programme and book tickets go to the
LSE Events website:

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Welcome

From Professor Max Schulze,
Head of Department



The new academic year has brought quite a few changes.

Janet Hunter, our Head of Department

until August, now enjoys a sabbatical year with her colleagues' grateful thanks, and there have been two additions to the faculty this year: Lars Boerner and Tamas Vonyo, both of whom join us as lecturers in the places of Peter Howlett and Albrecht Ritschl. Peter has taken on the post of Dean of Undergraduate Studies for the next three years and, for the same period, Albrecht will be working on a project funded by the German government. In addition, we have two new teaching fellows, Eric Golson and Coskun Tuncer, who join the existing team of Peter Cirenza and Niall Kishtainy.

Members of the Department continue to be involved in a number of major research projects, some in collaboration with other institutions. This, along with colleagues' own individual research, sustains the Department's reputation as a

leading international centre for the study of economic history.

The Economic History Department continues to attract high numbers of students, particularly at the MSc level, and we are encouraged by the interest that continues to be shown in our subject.

We very much hope that you will continue to offer us your support and involvement over the next year. It would be particularly nice if those of you who are able will join in our alumni events, especially the Epstein Lecture on March 14th, when Latika Chaudhary will talk on 'Schools and Railroads: Public Goods Provisions in Colonial India'.

This 2013 newsletter brings with it all our best wishes and the hope that you will keep in touch and drop in to see us whenever you are in London.

Max-Stephan Schulze
Head of Department

New Arrivals

Dr Lars Boerner, Lecturer



Lars was formerly Junior Professor for Economic History Freie Universität Berlin, Department of Economics.

His research interests include

the history of markets and market clearing mechanisms, other allocation mechanisms; history of auctions; matching mechanisms; pre-modern trade; pre-modern financial history, pre-modern growth; history of firms; formal institutional analysis; market design; contract design in finance and wholesale markets.

Dr Tamas Vonyo, Lecturer



Tamas joins the department from the University of Groningen, where he was post-doctoral research fellow. He

gained his PhD at Oxford University. His research interests include economic history of modern Germany and East Central Europe; determinants of long-run growth; state capacity in fostering economic development; the economics of World War II and socialist industrialisation.



Dr Ali Coskun Tuncer, Teaching Fellow

Coskun received his doctorate in June 2011 from LSE. His dissertation focused

on creditors' response to the sovereign debt crises and international financial supervision during the nineteenth century. Before joining the LSE he worked in the financial sector as a historical researcher constructing and analysing long term asset prices. His current research interests are financial and monetary history during the 19th and 20th centuries, and the long-term economic change in the Middle East and Balkans.

Dr Eric Golson, Teaching Fellow



Currently a Teaching Fellow at LSE, and Research Fellow at the University of Oxford studying the economics of warfare and business responses to conflict-based threats. Since

receiving his PhD from LSE in 2012, he has been appointed an Economic History Society Anniversary Fellow and attracted corporate research sponsorship. He has published and have pending several articles in European Economic History journals. In March 2012, his dissertation was selected as finalist for the Economic History Society's Thirsk-Feinstein dissertation prize.

Other news



Gerben Bakker was elected a Trustee of the Business History Conference, the main U.S. business history association; he became a

Member of the new Editorial Board of *Essays in Economic and Business History*; was a jury Member of the Krooss monograph prize committee at The Business History Conference. He also presented a talk on the history of brands and was a panel member at an industry event at the Institute of Directors, London, organised by the Institute of Economic Affairs.

Gerben's 2012 publications include 'Adopting the Rights-Based Model: Music Multinationals and Local Music Industries since 1945', *Journal of Popular Music History*; "The Quality Race: Feature Films and Market Dominance in the United States and Europe in the 1910s" in Steve Neal ed., *The Classical Hollywood Reader* (Routledge, 2012).



In 2013 Kent Deng will be Visiting Professor at the History Department, Fudan University, Shanghai, China. AT WHEC Kent co-

organised panels at 2012 Stellenbosch and presented two papers. Various

media interviews 2012 include a radio interview by the BBC World Service in weekly 'In the Balance' on China's leadership change; and a TV interview for CNN programme 'Quest Means Business' on the same topic. In October, 2012 he was a panel member of the BBC World Service 'Future of China' Forum.



In 2012 Professor Janet Hunter was invited to lecture at the European Studies Institute in Japan, September,

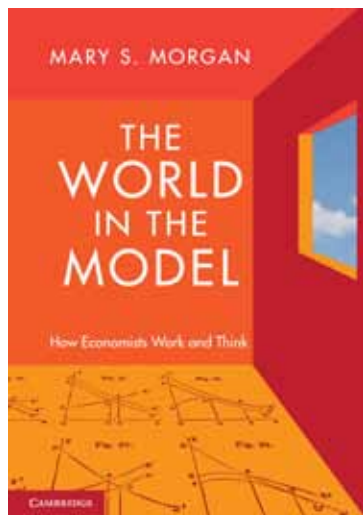
2012; Visiting scholar, University of Tasmania, December, 2012. Professor Hunter's publications include 'Rural Manufacturing and Agricultural Production: Selling the "Backward" Japanese Economy', in A.Hotta-Lister & I.Nish (eds.), *Commerce and Culture at the 1910 Japan-British Exhibition* (Leiden & Boston: Global Oriental, 2013). She also also organised a session at the World Economic History Congress in Stellenbosch in July.

2012 Publications

The World in the Model

Professor Mary Morgan

CUP, 2012



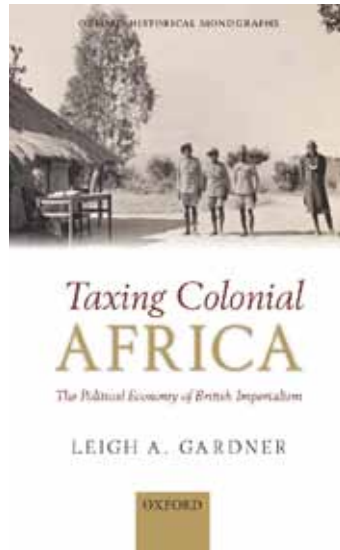
Over the past two centuries, economic science has become a social science based on mathematical models rather than words. In this book Professor Morgan uses case studies to examine and explain the nature and the implications of these changes.

This book is aimed at readers with an interest in things economic or the recent failure of the so-called economic model of the world we live in.

Taxing Colonial Africa

Dr Leigh Gardner

OUP, 2012



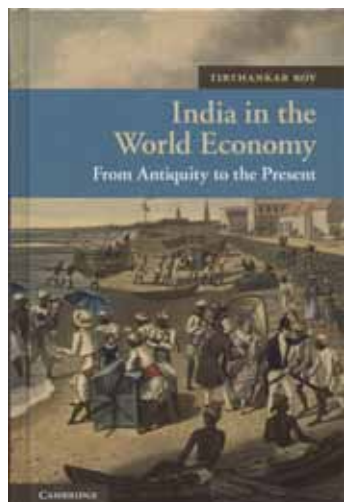
This book examines how much the British Empire cost, and how Britain paid for it by looking at how revenue was raised in the colonies themselves.

Focusing on British colonies in Africa, the book examines how efforts to balance budgets influenced the colonial power's relationships with local political stakeholders as well as the imperial government.

India in the World Economy: From Antiquity to the Present

Professor Tirthankar Roy

CUP, 2012



The book charts trade, migration, and investment between India and the rest of the world and shows what effects changes across the global economy have had not just on India's own economy but also its political structure. Throughout Professor Roy considers three main questions - is this a particularly Indian story? Where were the turning points? Finally, is it possible to distinguish between pre-modern and modern patterns of exchange.

Epstein Lecture 2013

This year's lecture was given on March 14th by Latika Chaudhary, Scripps College. Her paper was entitled 'Schools and Railroads: Public Goods Provisions in Colonial India'. It was well attended by alumni and faculty, and was followed by a drinks reception.

PhDs Awarded in 2012

Our congratulations to Andrew Wood, Marina Martin, Julia Mensink, Carlos Brando and Ling Fan Li who were all awarded their doctorates in 2012.

The Eighth Wonder of the World: How might access for vehicles have prevented the economic failure of the Thames Tunnel 1843-1865?

An extract from Economic History student Rio Lydon's dissertation, which achieved the highest mark of her year.

"Marc Brunel's Thames Tunnel was the world's first subaqueous tunnel and spurred an innovation revolution. Built between Rotherhithe and Wapping in the East of London, the 1,300 feet tunnel ran beneath the river bed and connected the shores which the River Thames cut in two and provided a transport link that was desperately needed in this area, given the high level of trade which occurred in the nearby docks. It was not the first attempt at constructing an underwater tunnel in London- Ralph Dodd, Robert Vaszie and the notable engineer Richard Trevithick had all previously tried and failed - and Brunel's success in doing so was hailed an engineering triumph. Yet this triumph did not come without serious delay; floods and financial issues caused construction of the tunnel, which Brunel estimated would take between two and three years to complete, to take eighteen years in total.

The Thames Tunnel was labelled the "Eighth Wonder of the World" by contemporaries and has been hailed as the first great innovation in modern day tunnelling. The tunnel's most important innovation was Brunel's shield. The shield- 38 feet wide by 22.5 feet high, containing 36 cells

in twelve frames over three levels - became the prototype for all future shield construction. Adaptations by Peter Barlow and James Greathead have been credited with the birth of London Underground, the world's first underground railway, and thus London's greatest source of public transport. More recently, elements of Brunel's shield were present on the digging shields used during the construction of the Channel Tunnel. It is evident that the Thames Tunnel had a significant impact in terms of innovation.

However, in terms of the short run effects of the Thames Tunnel and the original aims that the Thames Tunnel Company and Brunel set out to achieve, the tunnel was a financial and conceptual failure. Between the years 1843 and 1865 the tunnel operated as a pedestrian transport service, became a great source of tourism, but fundamentally failed to make profit. Consequentially it was sold to the East London Railway Company in 1865 for £200,000, just twenty two years after its completion. The tunnel proved to be more prosperous as part of the railway system and is still a part of London Underground today.



The Thames tunnel during construction, 1830.

One of the main reasons believed to have caused this failure between 1843 and 1865 was the inability to provide access for vehicles, part of the original plan devised by the Company. Whilst a roadway to enable vehicular transport was constructed within the tunnel, the ramps to provide access for vehicles did not materialise due to lack of funds. It is believed that the level of vehicular traffic that would have passed through the tunnel on a daily basis would have been large owing to the high trading activity surrounding these areas and the need to transport goods between the North and South side of the river, intensified by limited communication links. This underwater crossing was highly desired by the businesses in the docks and many scholars of the Thames Tunnel, including Lampe in *The Tunnel* and Pike in *The Greatest Wonder of the World*, have stated that had the carriage ramps materialised the tunnel would have been a commercial success. Although scholars have argued the tunnel would have been a commercial success had it provided access to

vehicles, no attempts have been made to quantify this view. This is what this paper aims to achieve as a way of delving further in to the full extent of the carriage ramps' absence. It is hoped that the quantitative analysis used will facilitate a greater understanding of whether this viewpoint is valid.

This paper is structured in the following way: Section 1 outlines the hypothesis proposed and how I intend to determine whether it is valid; Section 2 outlines the historical context of the question; Section 3 outlines the historiographical context of the question; Section 4 outlines the methodology and data used; in Section 5 the quantitative findings are presented and analysed; in Section 6 a conclusion of the findings is drawn and Section 7 contains a bibliography of the primary and secondary sources used. Section 2

In this paper I propose one key hypothesis concerning the nature of carriage ramps and their impact on the Thames Tunnel, and intend to find a conclusion for this hypothesis using a counterfactual.

Hypothesis: The building of the proposed carriage ramps which had been a part of the original plan for the Thames Tunnel would have created a positive cost saving for vehicular traffic, increasing the tunnel's usage thus revenue to a level which would have prevented the tunnel's subsequent financial failure.

I attempt to validate this hypothesis with the use of a counterfactual; I calculate the monetary and non-monetary (time) costs to vehicles

using the proposed Thames Tunnel and London Bridge, the next best alternative, to find a generalised cost for the transportation of goods between shores in the East. From this generalised cost, I find an estimate of the cost saving for the use of the Thames Tunnel as opposed to London Bridge. A positive cost saving indicates this new innovation would have lowered the overall cost of transportation, and thus travel via the tunnel is likely to have been large. This additional usage would have generated higher revenue for the Thames Tunnel Company, and if large enough would have prevented economic failure. Thus from the cost saving and recorded vehicle levels across London Bridge I provide an estimate of revenue and profit in terms of total construction cost, and from this infer whether prevention of financial failure is plausible.

I will outline my methodology and data more extensively in Section 4, but I would like to briefly note the possible flaws to my findings, but also how these flaws are justified in reaching a conclusion of the hypothesis.

Arguably, the most obvious flaw in this study is the use of a counterfactual. The plausibility of a counterfactual is always questionable given that it is contrary to fact, and any evidence gathered will purely be an estimate; thus, like the many social saving papers concerned with the economic importance of railways, these estimates will be very dependent on the assumptions which I make. I therefore argue that in the case of my hypothesis, the actual numbers which

are found are not of sole importance; they are more an indication as to what might have occurred rather than unadulterated fact. What I aim for this paper to achieve is a more refined understanding of something which is perceived to be conclusive."

Read the rest here:

<http://www2.lse.ac.uk/economicHistory/workingPapers/2012/WP171.pdf>



Rio Lydon

graduated from the BSc Economic History in 2012. She writes, "The Thames Tunnel was the world's

first subaqueous tunnel, a local landmark and an underappreciated piece of infrastructure. Whilst the tunnel's construction forged the path for developments such as the London Underground, it was an economic failure and I was curious of how this could be. Further research transformed curiosity into my counterfactual study. Research included a visit to the Brunel Museum who offered advice and put me in touch with their applicable contacts. I sourced original Thames Tunnel Company documentation from the British Library and the Institute of Civil Engineers, and studied social savings-related papers to aid the structure of my counterfactual.

I'm currently completing an internship at LSE Careers which has been a great experience and thoroughly enjoyable. Later this year I will be travelling through South America before starting a graduate trainee role at customer insight organisation dunnhumby - all very exciting!"

