Alumni Newsletter
Autumn/Winter Term 2024-25

Welcome, from Head of Department, Professor Patrick Wallis

A very Happy New Year to you!

The eagle-eyed among you will have noticed that you didn't receive a newsletter for Autumn Term. This was due to supply chain problems, technical issues beyond our control, and other excuses. But, it means that by combining Autumn and Winter term, you have a bumper edition to read over your morning coffee.

The big news of the year is that Professor Mary Morgan was awarded an OBE in the New Years Honours list in recognition of her services to the economics profession and to social science. You can read more here.

Autumn was also auspicious for Economic History. Most of you who have studied with us in the last two decades will have had a flashback – whether a feeling of warm recognition or a cold flush - when the Nobel Prize for Economics was awarded to Daron Acemoglu, Simon Johnson and James Robinson. Their work has been incredibly influential, provoking much debate, and as important, much interest in the long economic past. While the press highlighted the case for institutions, the prize committee underlined the significance of their methodological contribution, the way in which they showed a causal relationship between institutions and economic outcomes. Every week, we see the effects of that in the research seminars we hear and research papers we read, and, naturally, in the techniques we teach.

This marked a three-year run for economic history in the Nobel Prize, with Claudia Goldin's work on gender and labour markets, and Ben Bernanke's studies of finance in the Great Depression receiving prizes in 2023 and 2022 respectively. You could say that after decades of angst about the place of economic history in both economics and history departments, it's nice to be back...

The importance of financial history to our understanding of today's complex financial world are one reason why the department has made a sustained investment in financial history in recent years. We have now launched a new Financial History Research Group, directed by Olivier Accominotti, which brings together researchers from the department and outside to understand money and finance through the lens of history. Part of its remit is to connect academics and practitioners in finance together, and we would be keen to see our alumni participate in Group's events, and with many of you working in and around finance we hope that you will play a part in helping to shape and sustain the Group's work.

The fundamental importance of space and nature in shaping economic history have become a major area of research in the Department over the last two decades, and motivated our undergraduate joint degree with Geography. We have now been able to bring in a new Assistant Professor to expand our expertise in this area, Tom Raster. Tom has an array of interesting projects that we look forward to introducing to you, including a brilliant examination of how trade links in the early modern Baltic were created, where he uses changes in sea ice (I know!) to work out the impact of new trade routes being formed.

Looking forward, we have two dates for your diary. The ever-brilliant Cormac O'Grada will join us on 20th February to discuss his new book *The Hidden Victims: civilian casualties of the two world wars*. Later in term, Michela Giorcelli of UCLA will be delivering the Annual Epstein Lecture on 20th March, discussing her work on how management and technological changes drove productivity changes after world war II. Registration is now open for both of these events if you would prefer to attend online, I hope you'll be able to join us.

Finally, it is a real pleasure to announce that I have been elected President of the Economic History Society. This is a particular honour as 2026 marks the centenary of the Society and the annual conference will be held here at LSE – where it all began!

Patrick Wallis

Congratulations

To Alejandra Irigoin who was awarded the LSE SU Teaching Award for Excellent Feedback and Communication. These awards are nominated, and voted, by the students, as a way to thank faculty for an amazing experience that has had a positive impact on their education and time at the School, so they are a real honour to receive.

Among praise for Alejandra's teaching was the following:

Dr. Irigoin was consistent, intentional, thoughtful, and kind but honest in all her feedback.

You can find out more about these awards here: https://www.lsesu.com/teachingawards/

New Arrivals:

Kami Hassan welcomed baby Maya at the beginning of September, and Jason Lennard welcomed Robin, a younger brother to Flora, earlier in the summer.

Recently viva'd PhD students:
Xizi Luo, with a thesis entitled *Mobility or dis-mobility, evidence from Qing examination papers*

Aurelius Noble with a thesis entitled *The Quiet Revolution? Bankers, Aristocrats and Elite Social Networks in Victorian England (1861-1914)*

Hillary Vipond with a thesis entitled *Technological Change and Labour Displacement in Victorian Britain*

We wish you all the best on the next stage of your journey!

Student Mentoring Programme

We are calling for volunteers to meet with our current students to offer future careers advice in one-to-one mentoring sessions.

With help from a number of you, we have had two successful years of the Department of Economic History alumni-mentor programme to great success. We received overwhelmingly positive feedback from both our alumni mentors and student participants who found the process enriching and invaluable. We know that many of you who took part are still in contact with your student mentees from last academic year, many of whom graduated in December.

We are very grateful to all those who volunteered their time to help continue this programme in 2023/24 and make it a success and we are delighted to announce that we will be running it again this academic year, 2024/25.

Based on feedback, this year we will be including Second and Final Year undergraduate students in the mentoring programme alongside our MSc students. From next academic year we will offer this programme to MSc and Second Year undergraduate students to allow the latter opportunity to practically apply your advice when they apply for graduate schemes at the beginning of their final year. We recognise that our Department's alumni share a deep wealth of experience and knowledge across a variety of industries and sectors and know that careers guidance and mentorship from you is invaluable to students at both the undergraduate and postgraduate level.

We are seeking volunteers from all industries to offer up to four 30-minute online or in-person one-to-one advice sessions in February 2025. We will match you with students who have expressed an interest in the industry/sector(s) you have indicated you are in a position to offer guidance on. We will be holding an introductory information session and Q&A in the coming weeks for those of you who volunteer.

If you are interested in signing up for the alumni-mentor programme, please click here to complete this short form.

We look forward to working with previous volunteers again and new faces!

If you have any further questions on this programme, please contact Oli Harrison at o.harrison1@lse.ac.uk

Student Internships

Thanks to generous donations from alumni and friends, in particular Breht Feigh (MSc Economic History, 1993), the Department is able to offer short-term research contracts as part of the Student Internship Programme. Working closely with faculty, students participate in a range of research activities which allow them to hone their skills whilst contributing to ongoing research projects in the Department.

The 2024-25 cycle has just started and, this year, we are collecting reports so that you can read about the students experience on these projects.

Details of faculty projects that have been accessed by students under this scheme can be found here.

The Economic History Annual Investment Competition

We are thrilled to announce the results of our highly anticipated Economic History Investment Competition Weekend, which took place on 15, 16, and 17 November.

Six teams of enterprising students showcased their financial acumen and knowledge by developing innovative investment plans. Each team presented their strategies before a panel of judges: Miguel Fidago (Signal Capital), Simon McAdam (Capital Economics), and Steve Mobbs (Oxford Asset Management). The standard was very high and the judges had a tough decision. The winners and runners up are as follows:

Winners: Group Five (pictured below) - Abbas Nathani (BSc Economics and Economic History), Thomas Gould (BSc Economics and Economic History), and Daniel Castillo (MSc Financial History)

Winning Topic: Investing in Wise, a global money transfer service

These students will receive a unique opportunity to shadow analysts at Tikehau Capital, a leading asset management and investment firm. This hands-on experience will offer many insights into the world of professional investing.

Second Place: Group Two - Christy Horgan (BSc Economic History), Valentina Palma (General Course), Jaudaan Zafar (MSc Economic History), Daniel Brooks (MSc Economic History), and Easy Yeung (MSc Financial History)

Topic: Investing in SpaceX, a key space technology company

This group received a monograph by Gerben Bakker, *Entertainment Industrialised: The Emergence of the*

International Film Industry, 1890-1940 (from the monograph series Cambridge Studies in Modern Economic History, Cambridge University Press).

Third Place: Group One - Aryan Baliyan (BSc Economic History), Reuben Cochrane (BSc Economics and Economic History), Anton Elleby (MSc Economic History), and Rou Zhang (MSc Financial History)

Topic: Investing in Cameco, a full-service nuclear fuel supplier

We extend our thanks to the panel of judges and to Tikehau Capital for providing the shadowing experience. Congratulations to all participants for their hard work!

Events

We had a particularly busy Autumn Term with a wide range of events. If you missed any of them, you could find out more here and watch the recordings of our public lectures.

<u>Autumn Term</u>

On **23 October 6.30-8.00pm (Old Theatre, LSE)** Oliver Volckart spoke about the political and economic conditions leading to the creation of Germany's first common currency. For this panel event, he was joined by Dr Federica Carugati (KCL) to discuss what monetary policy can tell us about premodern multilaterism. The event was chaired by Professor Olivier Accominotti (LSE).

Full details, including a link to the recording can be found here: [The Holy Roman Empire]

The department hosted the annual Oxford, Warwick and LSE (OWL) workshop on **8 November**. This workshop is a great opportunity for economic historians and economists to get insights into the latest research in economic history. This year it included a keynote from Professor John Turner (Queen's University, Belfast), *Capital Structures without Government Rules: Evidence from Victorian Britain*.

The full programme is available here: [OWL 2024 programme]

The Financial History Group, which brings together researchers exploring key questions in money and finance, held its inaugural workshop on **29 November** at LSE.

You can see the full programme here: Workshop Programme

On **13-14 December** the department welcomed contributors to *The Handbook of the Economic History of Colonialism* (Routledge 2025). The book focuses on two major waves of European overseas colonialism: Americas (1490s-1820s) and Asia/Africa (1850s-1970s) and showcases new scholarship in the field.

Attendance was by invitation only but you can see the full programme here: Event programme

Winter Term:

On **20 February, 6.30 - 8.00pm (Sheik Zayed Theatre, CKK Building and online)** Cormac Ó Gráda will join us to discuss his new book, *The Hidden Victims: Civilian Casualties of the Two World Wars*, in which he argues that previous estimates of civilian deaths in the two world wars are almost certainly too low. By careful evaluation of the available evidence, he estimates that these wars cost nearly twice as many lives as previously estimated. As he shows, this matters as it enables us to argue with those who try to deny, minimise or exaggerate wartime savagery.

For more information, including how you can attend, see the event page here

Epstein Lecture 2025: The diffusion of soft technologies during and after World War II
20 March, 6.30-8pm (Auditorium, Centre Building, and online),
We are pleased to announce that Professor Michaela Giorcelli will deliver our annual Epstein Lecture, in which she will discuss how the large-scale diffusion of innovative management practices to US firms involved in war production acted as a technology that put them on a higher growth path for decades, and helped create the 'American Way' of business.

Michaela Giorcelli is Associate Professor at the Department of Economics of UCLA. She is also a faculty associate at the National Bureau of Economic Research, and a research affiliate at CEPR, CESifo, IZA, J-PAL and CCPR. She serves as Associate Editor at the *Journal of Economic History*.

More information, including how to attend, can be found here.

Student Research

The Troubles and the Irish Stock Market

The Troubles, thirty years of sectarian conflict in Northern Ireland and beyond, might be expected to demonstrate the detrimental impact of political disputes and terrorism on regional financial markets. Maitiú Donohoe's (MSc Financial History, 2023) analysis of asset price behaviour on the Irish Stock Exchange in this period offers a different picture: the surprising resilience of Ireland's financial markets to episodes of violent unrest.

The Troubles, spanning 1968 to 1998, were marked by violent clashes between Republican and Unionist paramilitary groups. The conflict spread across both the United Kingdom and the Republic of Ireland, resulting in over 3,600 deaths and more than 40,000 injuries, the majority of which involved civilians. Despite the tragic human toll, I find that the Irish Stock Exchange did not experience large negative fluctuations in reaction to violence and unrest.

Even the Omagh Bombing, which threatened to destabilise the Good Friday Agreement in its earliest days, did not precipitate a loss of confidence in asset prices. Instead, my results suggest that the market was driven mainly by major international economic events.

(Dis)connecting the Troubles and the Irish Stock Exchange

My analysis focused on equity listings on the Irish Stock Exchange from the beginning of the Troubles in 1968 through to the signing of the Good Friday Agreement in 1998. I used data from two indices to measure stock market performance. The Stock Exchange Index, published by Ireland's Central Statistics Office, covered the years from 1968 to 1982, and the ISEQ All Shares Index, published by the Irish Stock Exchange, covered the years 1983 to 1998.

I employed two quantitative approaches. The first was an event study, which examines the impact of key events on index prices. Selecting the events for analysis involved a degree of subjectivity. To mitigate bias, I chose events that met a threshold number of casualties or received significant media coverage. High-profile events such as Bloody Sunday, the Omagh bombing, and the signing of the Good Friday Agreement were included, along with some other less famous events.

Recognizing the potential for selection bias in event studies, I used a second approach that examined periods of significant price volatility. By focusing on periods of price volatility, this alternative method allowed the data to reveal the key dates affecting market behaviour. I used contemporary media sources, such as *The Irish Times* and *The Financial Times,* to pinpoint the events driving the price volatility.

Did the Irish Stock Market react?

Overall, the results showed that major fluctuations in the Irish Stock Exchange were largely unrelated to significant developments in the Troubles, with one notable exception. Following the signing of the Good Friday Agreement on 10 April 1998, the Irish Stock Exchange saw significant positive returns. This pivotal moment, which marked the end of the Troubles after over 700 days of negotiations between the Irish and British governments, was embraced by investors. The agreement allowed Northern Irish citizens to identify as Irish or British and sought to address socio-economic disparities.

In contrast, the Omagh bombing on 15 August 1998, which killed 29 people and injured 220, did not significantly impact stock returns. Despite the bombing's horrific nature and its occurrence just months after the Good Friday Agreement, investors seemed to believe the attack would not derail the peace process, maintaining their long-term outlook. Additionally, since the bombing took place on a Saturday, the market had absorbed the news by the time trading resumed on Monday, avoiding any immediate volatility. Like most key events of the Troubles, the Omagh bombing had a limited effect on the Irish Stock Exchange.

The largest single-day percentage changes in the index stemmed from major international events such as the collapse of the Bretton Woods system, stock market panics and crashes, the Gulf War, the devaluation of the pound, and the East Asian financial crisis. The 1987 stock market crash had the greatest influence, accounting for seven of the ten largest negative daily price fluctuations. Positive fluctuations were similarly tied to rebounds from this crash. Industry-specific developments also played a significant role, particularly in the Irish oil and banking sectors. The Irish Stock Exchange was dominated by a few large companies, with the ten largest firms accounting for nearly 73% of market capitalization in 1995. The indifference of financial markets to the Troubles may be explained by the fact that these companies were largely unaffected by the conflict.

Conclusion

The Troubles were a tumultuous period that wreaked havoc across both the United Kingdom and the Republic of Ireland. However, despite the brutality of the conflict over three decades, the Irish stock market remained largely unaffected, with one exception, the period following the signing of the Good Friday Agreement. That saw significant positive returns, suggesting that investors held optimistic views of Ireland's economic prospects following the agreement.

This article appeared as a blog entry in November 2024. You can see later articles here.

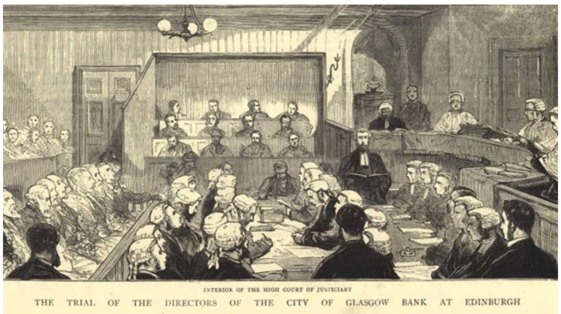
Faculty Research

Farewell, Shareholder Liability

Recent visitor to the Department, John Turner (QUB), and his co-authors David A. Bogle, Gareth Campbell, and Christopher Coyle explore when and why shareholder liability disappeared from the insurance industry.

Limited liability is now a standard feature in modern economies, but historically, financial institutions operated under stricter frameworks. In Australia, Canada, and the United States many banks were subject to double liability, meaning shareholders could face additional calls beyond their initial investment if the bank became insolvent.

In the United Kingdom, following liberalizing legislation in 1862, most banks and insurance firms voluntarily chose to have extended liability, where shareholders could potentially be exposed to calls which were much greater than the amount that they had invested. A dramatic example of this occurred with the failure of the City of Glasgow Bank in 1878. This institution operated under unlimited liability, bankrupting most of its 1,800 shareholders upon collapse, though depositors did not lose a penny. Similarly, shareholders of the Albert Life Insurance Company were called upon to cover losses when it failed in 1869.



Trial of the directors of the City of Glasgow Bank

When did shareholder liability disappear?

The disappearance of extended liability among British insurance firms occurred gradually. Before the 1862 Companies Act, only companies incorporated by Royal Charter or an Act of Parliament, such as the London Assurance and Royal Exchange Assurance, could limit liability. Other insurance companies operated as unincorporated entities. These insurance companies contracted in their corporate constitutions to a framework of limited liability, but under the common law, these companies remained liable to external creditors like policyholders.

The 1862 Act changed this landscape, allowing companies to limit liability by simply registering under the new law. Even so, insurance firms generally maintained large reserves of uncalled capital – funds that could be demanded from shareholders at any time to meet obligations. By 1880, 97% of insurance firms retained uncalled capital. However, this practice steadily declined, and by 1930, it had fallen to 74%. By 1965 only 15% of firms held uncalled capital. By 1975, no British insurance company retained shareholder liability.

While the formal end of shareholder liability occurred in 1975, the shift began much earlier, with a marked decline after World War I and rapid acceleration after 1930. By the 1960s, extended liability was a relic of the past.

In 1880, the average insurance shareholder was exposed to more than quintuple liability. For every £1 invested, shareholders could be called upon for £5.67. By 1930, this exposure had reduced to near double liability. In terms of uncalled capital, 56.7% of firms' total assets in 1880 were backed by such reserves, but by 1930, this figure had fallen to just 4.4%, and it was nearly zero by 1965.

Why did shareholder liability disappear?

We examine three possible explanations for the disappearance of shareholder liability. One possibility is that regulation and government-provided policyholder protection meant that shareholder liability was no longer needed. However, we find that nearly all companies removed their shareholder liability many decades before the passage of the Policyholders Protection Act in 1975. Furthermore, there were no regulatory changes during or immediately after the period when shareholder liability disappeared.

Another possibility is that shareholder liability had become effectively limited in practice, even if not formally abolished. Since insurance shares were freely transferable, individuals without the means to meet additional calls could still purchase them, rendering liability unenforceable in many cases. Despite this, our analysis of detailed archival data from an insurance company with quadruple liability shows that shareholders were generally wealthy enough to meet potential obligations, indicating that enforceability was not necessarily the primary issue.

The final possibility we explore is that the risks associated with extended liability led to a higher cost of capital, which incentivized companies to remove uncalled capital. We analyzed a century of monthly share prices and found that firms with shareholder liability faced higher financing costs. Although companies were initially reluctant to abandon this system, since it reassured customers that their policies would be honoured, the buffer provided by shareholder liability became less crucial as firms grew larger. Organic expansion and mergers allowed companies to rely on their size and stability instead. The study's analysis of hand-collected financial statement data confirms that a company's size was an important determinant of the level of shareholder liability. As companies grew, they became more likely to cut shareholder liability.

The findings of our study ultimately suggest that shareholder liability disappeared in British insurance because of the increasing size of insurance firms. We speculate that the same was true for British banks, which finally expunged their shareholder liability in the mid-1950s.

The full paper is available here: David A. Bogle, Gareth Campbell, Christopher Coyle, John D Turner, Why did shareholder liability disappear?, Journal of Financial Economics, volume 152, February 2024

Keep in Touch

Our LinkedIn Group is up to 421 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.

Or would you like to connect with us on BlueSky?

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.