

[Working Papers](#)

Historical Perspectives on Financial Development and Economic Growth

Peter L. Rousseau

SHARE



WORKING PAPER 9333

DOI 10.3386/w9333

ISSUE DATE November 2002

This paper uses standard tools of empirical macro economics to examine how well the existing historical time series support a role for financial factors in real sector activity in four economies that experienced what are widely considered to be 'financial revolutions' over the past 400 years. The evidence presented for the Dutch Republic (1600-1794), England (1700-1850), the United States (1790-1850), and Japan (1880-1913) suggests that the emergence of financial instruments, institutions, and markets played a central role in promoting trade, commerce, and industrialization. Cross-section regressions with a wider set of countries for the post-1850 period offer additional support for the Schumpeterian view of finance in growth. Though limitations of the available data argue for a cautious interpretation, the findings are consistent with the traditional and more descriptive analyses of these events in the economic history literature, and with results obtained for the post-1960 period by modern macro economists.

Download a PDF

[Information on access](#)

Acknowledgements and Disclosures



Download Citation



Published Versions

Peter L. Rousseau, 2003. "[Historical perspectives on financial development and economic growth](#)," Review, Federal Reserve Bank of St. Louis, issue Jul, pages 81-106. citation courtesy of [RePEc](#)

Related

TOPICS

Macroeconomics
Money and Interest Rates
Financial Economics
Financial Markets

PROGRAMS

Development of the American Economy
Economic Fluctuations and Growth
Monetary Economics

More from the NBER

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



Martin Feldstein Lecture, Summer Institute 2025

The Fiscal Future

N. Gregory Mankiw, Harvard University and NBER
July 10, 2025

2025, 17th Annual Feldstein Lecture, N. Gregory Mankiw, "The Fiscal Future"

FELDSTEIN LECTURE

PRESENTER: [N. GREGORY MANKIW](#)

N. Gregory Mankiw, Robert M. Beren Professor of Economics at Harvard University, presented the 2025 Martin Feldstein...



Methods Lecture, Summer Institute 2025
**Uncovering Causal Mechanisms:
Mediation Analysis and
Surrogate Indices**

Raj Chetty, Harvard University and NBER
Kosuke Imai, Harvard University
July 24, 2025

**2025, Methods Lecture, Raj Chetty and Kosuke Imai, "Uncovering Causal Mechanisms:
Mediation Analysis and Surrogate Indices"**

METHODS LECTURES

PRESENTERS: [RAJ CHETTY](#) & [KOSUKE IMAI](#)

SlidesBackground materials on mediationImai, Kosuke, Dustin Tingley, and Teppei Yamamoto. (2013). "Experimental Designs..."



International Trade and Macroeconomics, Summer Institute 2025

Panel on The Future of the Global Economy

Oleg Itskhoki, Harvard University and NBER
Paul Krugman, City University of New York and NBER
Linda Tesar, University of Michigan and NBER
July 8, 2025

2025 International Trade and Macroeconomics, "Panel on The Future of the Global Economy"

PRESENTERS: [OLEG ITSKHOKI](#), [PAUL R. KRUGMAN](#) & [LINDA TESAR](#)

Supported by the Alfred P. Sloan Foundation grant #G-2023-19633, the Lynde and Harry Bradley Foundation grant #20251294...

National Bureau of Economic Research

Contact Us

1050 Massachusetts Avenue
Cambridge, MA 02138
617-868-3900
info@nber.org
webaccessibility@nber.org

HOMEPAGE

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

FOLLOW

