

**TITLE:** The French revolution and German industrialization: dubious models and doubtful causality

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**Abstract:** We challenge the ‘big-bang’ approach to economic history offered by Acemoglu et al. (2011). The creation story in dispute is the French Revolution and the subsequent French occupation of a very small portion of Germany. We show that the four institutional reforms claimed to have spurred German industrialization have been incorrectly dated. These corrections nullify any explanatory power of the ACJR econometric model. Moreover, even with the corrected vintages, their identification strategy is undermined by a flawed ‘explanatory’ variable – ‘years of reform’. We show that this variable simply enters their model as a year trend and explains nothing except the passage of time. We develop a fixed-effects model to capture the overlooked role of coal production that began in several regions shortly after 1840. This model offers a credible account of German industrialization and urbanization. Most economic change is, after all, continuous. Big-bang intrusions are of doubtful efficacy.

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