FYS 525, Topic 3: The Columbian Exchange

Background: The Columbian exchange refers to the exchange of ideas, technologies, diseases, etc. that occurred when European explorers first interacted with the indigenous peoples of the Americas. This exchange included pathogens (*e.g* smallpox) that mostly flowed from the old world to the new. The resulting death rates would often exceed those of the Black Death.

Core Concepts:

1. Supply and demand (goods). Profit maximizing firms usually choose to supply (produce) more goods as the price rises. Consumers usually demand more goods as the price falls. This can be formalized as a model of supply and demand for goods, which can be applied to many markets.

2. Productivity shocks. Productivity refers to how much output a given amount of labor and capital can produce. Some events, like the introduction of new technologies, can cause workers to quickly become much more productive.

3. Colonialism. This refers to one country exerts political control over another in order to achieve economic benefits. After the Columbian exchange, European powers created colonies in the New World. this allowed them to capture new resources and more effectively use existing ones.

Key Questions:

1. the Columbian exchange brought illness and death to the indigenous peoples of the New World. Why did this not occur in the opposite direction as well?

2. Why did the pandemics of the New World bring about a smaller reduction in economic inequality compared to the aftermath of the Black Death?

3. Do market forces explain what happened to wages after the pandemics of the Columbian exchange?

4. What economically significant resources were transferred during the Columbian exchange.

. 5. How was productivity in the Old World boosted by the Columbian exchange?