Ph.D. Qualifying Examination
UCLA Department of Economics

Spring 2000
Four Hours

Ph.D. QUALIFYING EXAMINATION IN ECONOMIC HISTORY

Answer four of the following questions.

1. More than thirty years ago, Robert Fogel challenged the idea that the railroad had been virtually indispensable to the economic growth of the United States during the nineteenth century. He contended further that it was highly unlikely that any single technology, narrowly defined, could be crucial for growth. Implicit in his analysis was the view that what was indispensable to growth were conditions conducive to invention and to technological change generally, and that the existence of multiple ways of solving technical problems would typically provide choices between technologies which were reasonable substitutes. Some scholars would argue that this same logic applies to the role of institutions in economic growth -- that what really matters is institutional flexibility and not any particular institution (narrowly defined). To what extent would you agree with these perspectives on *both* technological and institutional change? Do you think that this analogy between the roles of technological change and of institutional change is useful for thinking about the processes of growth, or does it obscure fundamental differences and mislead? Is so-called *path dependence* likely to be more important in one realm than in the other? Drawing on examples from economic history, explain your views.

2. Starting with Alexander Gerschenkron scholars have debated the question of what kind of financial system is most favorable to growth. Two questions, in particular, have been especially controversial. To what extent must the state be involved in the financial system? What kind of financial structure is most favorable to economic development? Explain what has been at issue in each of these debates, and what evidence each camp bases its position on. What are your own views on these questions, and what evidence and logic are they based on?

3. Nearly twenty years ago, Douglass North postulated that economic development depended on political change. He argued that pre-industrial rulers were rent-seekers and uninterested in economic growth, and hence that the rise of representative institutions was critical to fostering development. Please examine how the literature that has followed *Structure and Change* has modified or confirmed his thesis, with particular attention to both the political underpinnings of secured property rights and of market development.

4. In recent years economic historians have put greater emphasis on the role of informal institutions in the economy. Some of them have used game theory to analyze the development or impact of institutions on the economy. What have been the advantages and drawbacks of this methodological innovation?

5. Economic historians concerned with the processes of early industrialization have long focused on developments in the manufacturing sector. Some scholars have focused on the importance of productivity growth in rapidly-growing capital-intensive sectors such as textiles or iron and steel, as well as of increases in labor productivity due to capital deepening. Others have argued for a more balanced pattern of productivity growth, extending broadly across many manufacturing industries. Yet a third group of researchers has suggested that a central contribution of the expanding manufacturing sector to

growth was through improving the productivity of previously underutilized segments of the labor force or population that had relatively low opportunity costs and was available in rather elastic supply. What progress have economic historians scholars of Europe and the U.S. made in identifying the relative importance of these three general manufacturing-based sources of growth? Are the patterns in Europe and the U.S. similar? If not, what factors might account for the differences Explain.

6. What was the Great Merger Movement in American economic history? How does Lamoreaux explain its occurrence, and why only certain industries were affected? How significant does she think it was in the development of the U.S. economy – both over the short and the long run? To what degree does she think it was technologically determined? To what degree does she think it was influenced by conditions in the financial sector? What would Alfred Chandler think of her assessment of the significance of the merger movement, and of its sources? What evidence does she offer in support of her arguments and how persuasive do you think she is? On what points do you agree? On what points do you remain skeptical? Explain.