Ph.D. Qualifying Examination
UCLA Department of Economics

Spring 2002
Four Hours

COMPREHENSIVE EXAMINATION IN ECONOMIC HISTORY

Answer four of the following questions.

1. There has recently been a revival of interest among economists in the sources of geographic patterns in per capita income, and in whether such patterns stem from systematic factors in the evolution of institutions or are rooted in factor endowments. How much have we learned to date from this line of investigation? What in your view are the most important findings (or other contributions) to have come out of this literature, and how has our understanding of the relative importance of factor endowments, institutions, and culture in accounting for differences in economic performance been advanced (if at all)? If you were planning to work in this area, what sort of research program would you pursue? Explain.

2. It was long common to treat institutional change and technological change as alternative or substitute processes; economic historians in particular tended to highlight the importance of the former before 1800, and the latter afterwards. Recent studies have put greater emphasis on possible complementarities between institutional and technological change after 1800. What is the basis for this revisionism? Can the same argument be made for the period before 1800?

3. In what has come to be regarded as a classic article, Gregory Clark argued that during the late-19th and early-20th centuries productivity in cotton textiles varied substantially across countries despite the use of very similar capital equipment in all locations. What was the explanation he offered for these differences, and how persuasive do you find his analysis of the data and his interpretation? Explain.

4. The *reputation* of individuals, families, or firms is often considered important in how financial markets and institutions operate. What is the logic or basis for this view? In what sorts of environments or contexts would you expect financial markets to be most dependent on the information content in *reputation?* Why? Explain the role of *reputation* in the organization and operation of banking in New England during the early nineteenth century. Why does Lamoreaux believe that it worked so well in that situation? How persuasive do you find her account of how and why the problems of favoritism and insider lending, which are sometimes said to characterize banking in developing countries, were avoided? Why does De Long think *reputation* worked so well in the context of early-twentieth century investment banking? Is it odd that De Long emphasizes reputation working well in a non-competitive situation, whereas Lamoreaux sees reputation as a dimension along which banks competed? In general, what sorts of factors might account for the variation – if any – across these contexts in the effectiveness of reputation in helping financial markets work? Explain.

5. In their massive study entitled *Mammon and the Pursuit of Empire*, Lance Davis and Robert Huttenback employed company balance sheets, stockholder lists, and a variety of other

materials to subject different theories of the role of economic forces in the expansion of the British Empire to systematic tests of consistency with evidence. What, in your view, were their central findings and what do they imply about the importance of economic motives in extending and maintaining the Empire, the economic returns to Britain of having an empire, and about the economics of the British Empire generally? In other words, what have we learned? What issues did they not resolve or make progress on? Explain.

6. Historians have never really been convinced by Fogel's (and Fishlow's) demonstration that railroads were not indispensable to American economic growth over the nineteenth century.
What are the arguments and evidence on both sides of this question, and which side do you favor? What do you think Fogel's contributions to our understanding of the impact of railroads, and of the processes of economic growth more generally, were? Explain.