Ph.D. Qualifying Examination
UCLA Department of Economics

Spring 1998
Four Hours

COMPREHENSIVE 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 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? Drawing on examples from economic history, explain your views.

2. More than forty years ago Alexander Gerschenkron emphasized the importance of financial institutions for later developers. Since then there has been considerable debate about exactly what role financial institutions play. In your view, to what extent should one emphasize specific financial institutions or the broader mechanisms available for securing property rights in explaining financial and economic development? In your discussion feel free to cite material relevant to either U.S. or European economic history.

3. Economists, following Coase, often argue that private institutions are efficient because individuals have incentives to come to agreements that reduce waste. Technology, then, rather than institutions, proves to be the central constraint on growth because it affect transactions costs. Economic historians, however, often emphasize the role of the state in constraining private institutional choice. What are the relative merits and weaknesses of the two outlooks. Drawing on economic history, explain whether states generally provide a setting for efficient private contracting? Why or why not? How important are political economy factors in explaining differential paths of growth and development?

4. Demography is now often neglected as an element in economic performance. Two hundred years ago, however, population and its control were central to economic debates. Malthus and other scholars thought that populations had a natural tendency to grow faster than the resource base -- leading to economic and social crises. Please review the findings of the literature to show, first why Malthus and his contemporaries were too pessimistic, and second how demography affected the process of early growth in Europe.

5. The results of Robert Fogel and Stanley Engerman's calculations of total factor productivity for different classes of farms provide very important support for the interpretation of the economic impact of slavery on the development of the southern economy that Fogel puts forward in his book, Without Consent or Contract. What are those results, and what do you think can and cannot be inferred from them about the economic impact of slavery? In what ways are they relevant to the debate over whether the institution of slavery retarded long-run economic growth in the South? Do they fully resolve the issue? If not, why not? What other elements of the evidence that they present do you view as of fundamental significance for upholding or rejecting their view? Explain.

6. Economists and many other observers tend to rely on per capita income (GNP per capita) as the best single gauge for making comparisons across places or over time between the levels of welfare enjoyed by the respective populations. What are the virtues of using this measure, and what are some of its weaknesses...in other words, how accurate are the inferences about relative levels of welfare that

one draws from per capita income figures? What are some of the major conditions that contribute to differences or changes in the welfare of a population and yet are not well reflected in per capita income measures? Which would you identify as most important? Are there other indicators that you think might complement the use of per capita income estimates in making welfare comparisons? Explain your views.