

COMPREHENSIVE EXAMINATION IN ECONOMIC HISTORY

Please answer four of the following questions.

1. Many treatments of the early stages of industrialization, whether in Europe or the United States, have grappled with the question of where the increases in measured productivity in manufacturing came from. While a number of economic historians have pointed to the importance of intensity of labor, and some scholars have highlighted other aspects of the organization of labor, another group has continued to hold that not much happened to manufacturing productivity until production processes became much more capital intensive than they had been (and/or mechanized). Specifying which country or countries you have in mind, explain your view of the importance (both relative and absolute) of the various means through which the early advances in manufacturing productivity were realized. Would you expect the relative importance of the different sources (or means) of productivity increase to vary with particular conditions, and over time and place? Explain.
2. Robert W. Fogel has estimated that the social savings attributable to the railroad innovation amounted to less than 5 percent of U.S. GNP in 1890. Alfred D. Chandler, Jr., on the other hand, has argued that the railroads were at the heart of the economic transformation that led to the rise of big business. Discuss the different methods and types of evidence that these two scholars used to assess the importance of the railroad. Is there any way to reconcile their arguments? What implications does this debate have for our understanding of the economic consequences of the internet?
3. The British Industrial Revolution may be the greatest economic event whose actual occurrence remains highly controversial. The current debate centers on the causes and nature of the economic transformation that occurred in England between 1680 and 1820. One side argues that the Industrial Revolution was a dramatic and concentrated event (in sectors, in time, and in location) while the other argues that it was much more diffuse. Please present and critique the evidence on both sides. Is the Industrial Revolution relevant to our understanding of the growth process in other parts of the world? Explain.
4. As a result of the U.S. Civil War, slavery was abolished in the southern United States. Emancipation would seem to represent a positive change in the southern economy's institutional structure and yet the region's relative economic position did not improve. To the

contrary, the South lost ground relative to the North (and even relative to the more agricultural Midwest) and did not recover its earlier position for nearly a century. How can we reconcile this history with the conventional wisdom that improvements in institutions should lead to improvements in economic performance?

5. It is fashionable in development economics to be interested in institutions, yet scholars disagree about the nature of the beast. For some they are so endogenous that they can only be studied in the context of natural experiments, for others they are fixed and unchanging. Using evidence drawn from the fiscal and financial history of Western Europe: (1) provide an operational definition of institutions; (2) discuss what sets of institutions are important to study in order to understand financial development; and (3) suggest how one might apply the lessons of European history to a different context.

6. In his presidential address to the American Economic Association, Simon Kuznets sketched a simple, if elegant, theory of how the extent of inequality might be systematically related to economic growth, and urged the profession to devote much more attention to the subject of inequality. Fifty years later, there are many skeptics, both as regards the validity (empirical or otherwise) of his theory, as well as of the idea that inequality should be a variable of much interest (as opposed to say, poverty). What are your views? Has the Kuznets hypothesis failed the test of consistency with the evidence? Should economists devote particular attention to inequality? Explain.

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