

COMPREHENSIVE EXAMINATION IN ECONOMIC HISTORY

Please answer four of the following questions.

1. Ever since the Coase theorem, many economists have placed great emphasis on the importance to a society concerned with economic efficiency and growth of having clearly specified property rights. Although there is an appreciation that transaction costs should have an important influence on just how the rights are specified, the focus of attention has been on the clarity of the specification (or on the identity of the property-rights holder) rather than on the substantive allocation of rights. In recent years, however, some economic historians—such as those studying slavery, colonialism, or the conditions of women and blacks—have explored cases where property rights may have been clearly specified, but that the specifications involved vesting those rights in only certain segments of the population. Drawing on one or more of these studies, explain your view of the implications of such experiences and institutions for our understanding of the role of property rights in economic development.

2. We all know that the Industrial Revolution began in Britain. For some, like Joel Mokyr, the Industrial Revolution was part of a broader European phenomenon. For others, like Gregory Clark, Britain's surge in the eighteenth century was the result of factors more specific to the U.K. Which of these views does the evidence favor? Why? Is there alternative evidence that would help us better understand the onset of sustained economic growth?

3. A half a century ago, scholars began to examine the connection between financial intermediaries and economic growth. What have we learned since then about the kind of institutions that promote growth of financial markets, and what have learned about the effect of economic growth on financial markets? What does history suggest for current policy debates about finance and the third world?

4. The growth of the Standard Oil Company and other large-scale enterprises during the late nineteenth century provoked a political backlash that led Congress to pass the Sherman Antitrust Act in 1890. Some scholars have argued, however, that large firms dominate their markets by dint of their superior economic efficiency, and that government intervention was (and is) not only largely unnecessary but pernicious in its consequences. Comment.

5. One section of the United States—the South—experienced a “reversal of fortune” in the mid-nineteenth century. Estimates of regional per capita income suggest that, after the Civil War, the South lost ground relative to the national economy and also relative to other predominantly agricultural regions of the United States. Discuss the sources of this

comparative deterioration. To what extent can studying this experience can help us understand the reversals of fortune that occurred in other parts of the Americas between the colonial and modern periods.

6. Economic historians quite naturally are much concerned with both the processes of technological change and those of institutional change. While some perceive them as radically different and requiring distinctly independent treatments, others believe that much can be learned by systematically comparing and contrasting how new technologies and institutions are innovated, diffused, and contribute to social progress. The latter groups argues that this approach can only improve our limited understanding of how the pace and direction of institutional change varies over place and time. Explain why you agree or disagree, and provide some specific examples to illustrate or support your logic.