

## UCLA Department of Economics

## COMPREHENSIVE EXAMINATION IN ECONOMIC HISTORY

SPRING 2007

## Instructions:

- You have 4 hours for the exam
- Answer any 4 out of the 6 questions.
- Use a SEPARATE answer book for each question.

1. Many scholars of the onset of economic growth in pre- or early-industrial economies have argued for the central role of intensive growth. The basic logic of this view has been that most of the resources in such economies are employed in a traditional sector (typically agriculture), and that increasing the productivity of that large bloc of resources is a more effective way of achieving economy-wide advances in productivity and income (including multiplier effects) than even very large increases in sectors which employ only a small share of a country's resources. This emphasis on intensive growth has been challenged, however, by three groups of scholars: those who dispute the idea that intensive growth was of much importance even in cases of early industrializers such as Britain; those impressed with the impetus to growth some frontier economies have derived from an abundance of land and natural resources; and those who contend that in contexts where there are great opportunities for international trade (such as today), it may well be possible to obtain a much bigger bang in terms of productivity and income advances through shifting resources from traditional sectors to sectors where the economy has an international comparative advantage. Making specific reference to at least some of the work we have read, explain the logic and evidence underlying your position on these issues.

2. As we know, in recent years there has been growing concern among scholars and policymakers about what accounts for differences or changes in inequality over time or place, how inequality is relevant to the way we gauge or understand economic performance, and whether (and how) it is possible to design effective policy interventions that significantly alter the extent of inequality in any given society. For a long time, in thinking about these issues, economists relied heavily on the ideas or basic framework offered by Simon Kuznets in his classic presidential address to the AEA, but the studies published over the last fifteen years or so have directly or indirectly questioned the consistency of Kuznets's view with the evidence. How would you assess the state of the literature (and of our understanding) about the sources and effects of variation in inequality over time within an economy and/or across economies. Explain.

3. Some scholars have emphasized the importance of dramatic change in political or legal institutions, such as those accompanying (or wrought by) the Glorious Revolution, the American Revolution, the French Revolution, or the Meiji Restoration, in creating the necessary conditions for the onset of industrialization in pre-industrial economies such as

late seventeenth century Britain, late eighteenth century U.S., late eighteenth century France, or mid to late nineteenth century Japan. Illustrating your argument with one of these or other prominent cases, discuss what you think the basis (empirical and/or theoretical) is for such a view, and whether you find it persuasive. More generally, how much weight would you put on political revolutions or other general exogenous shocks to institutional structures in explaining the realization of sustained economic growth in less-developed or developing countries? Explain.

4. From 1900 to 2000, the share of Americans who lived in urban areas increased from 40 to 80 percent. Some scholars have argued that new information technology, which allows people to engage in many forms of consumption and production without the need for face-to-face contact, will render cities obsolete. What can a historical perspective on the interaction between city growth and new technology, as well as on other causes of city growth, teach us about the likely future of cities in the Internet age?

5. Some scholars have attributed enormous importance to general purpose technologies, including the railroad, the steam engine, and the computer, but others have used social savings and productivity calculations to argue that the contribution of these technologies to economic growth has been modest at best. Discuss the relative merits of the two sides of this debate, referring concretely to at least two different technologies from the above list or from the literature more generally.

6. It is commonplace these days to attribute poor economic performance to bad institutions and strong economic performance to good institutions. To what extent is this proposition borne out by the U.S. experience? Support your answer by discussing at least three topics from the following list: the Constitution, slavery, land and/or resource policy, trade policy, the monetary and/or banking system, and the educational system.