University of California - Davis
Department of Economics
Economic History

Date: June 23, 2004
Time: 3 hours
Reading time: 20 minutes

PRELIMINARY EXAM

Please answer **FOUR** (4) of the following six questions, including at least one from each of the three Parts.

Part A (answer at least one)

Question (1.) Bombay in the years 1920-1939 would have been an exciting place to visit for those interested in the problem of the divergence of world incomes after the Industrial Revolution. Explain why, and what a visitor to Bombay could have learned about these issues.

Question (2.) The Industrial Revolution appears as the one and only great discontinuity in the history of the world economy. Explain why a sudden upwards movement in productivity growth rates around 1800 makes it difficult to model the Industrial Revolution as the culmination of some kind of endogenous growth process. Are there theories of growth that can fit better with a sudden break, and do they accord with the facts of the Industrial Revolution?

Part B (answer at least one)

Question (3.) Between 1860 and 1950 the United States developed greater primary and secondary school enrollments than Britain (or Western Europe in general).

(3a) What explains this persistent lead in enrollments?

(3b) How did the U.S. and West European styles of secondary education differ in terms of curriculum, centralization or decentralization, and students' accountability for their progress?

(3c) By 2000, how well were the distinguishing characteristics of the American educational style performing relative to Western Europe?

Question (4.) "The counterfactual South." The debates over Southern states' growth seem to offer an array of comparisons to counterfactual worlds that never happened. What are the implicit counterfactuals (abbreviate CF if you wish)? Are the comparisons plausible and convincing in their overall design? Specifically,

(4a) When Fogel and Engerman assert that slavery was productive and efficient, what counterfactual South are they comparing it to? Is that plausible?

(4b) When scholars try to explain why the South's GDP per capita dropped so much from 1860 to 1880, what alternative history do they imply? Is it plausible?

(4c) When Ransom and Sutch say that the postbellum South had inefficient institutions, what alternative postbellum institutions do they imply? Is the argument plausible?

Part C (answer at least one)

Question (5.) What is the macroeconomic policy trilemma? How have researchers used this framework to understand the evolution of monetary policies, capital mobility, and exchange rate regimes in the nineteenth and twentieth centuries? Some have argued that the trilemma implies that only the "corner solutions" (hard peg or free float) are feasible exchange rate regimes. Do you agree? What is the evidence?

Question (6.) Do you think Robert Mugabe [the President of Zimbabwe] would enjoy the explanation of the poverty of his country given in the paper by "Colonial Origins…" by Acemoglu, Johnson, and Robinson? And, if so, should he enjoy it so much? To answer this question, spend half your time explaining the logic of AJR's account of global inequality and the role of institutions therein. Spend the rest of your time offering a criticism of AJR's account based on other explanations in the literature. Is the current poverty in the post-colonial world predestined and without remedy?