

ECONOMICS HISTORY FIELD EXAM

January 2014

Instructions

Answer one question from each part (four questions total).

Part I

1. Economic historians have attempted to apply the concept of “globalization” to the past, seeking origins for it in the nineteenth century, but also in the sixteenth through eighteenth centuries. Write an essay that identifies the main arguments in support of an Early Modern globalization process and the main arguments that are skeptical of such claims. Offer an assessment of this debate.

2. The British Industrial Revolution remains the historical pivot around which the long course of world economic development revolves; before it one set of economic relationships prevailed and after – only after – can modern economic growth be said to have begun. Yet, the “revolutionary” nature of these events has been called into question: change is now thought to have been less abrupt and growth less rapid during the era of the Industrial Revolution than earlier scholars had claimed.

Write an essay that assesses this conundrum and the recent efforts of economic historians to redefine the meaning of the British Industrial Revolution.

Part II

3. Many commentators seeking to understand the roots (and eventual conclusion) of the eurozone crisis have looked to the gold standard crisis of 1931 for lessons. What aspects of that earlier historical experience shed light on the eurozone’s current difficulties? In what other respects does the historical analogy mislead?

4. The third quarter of the twentieth century appears, in retrospect, as a golden era of economic growth and financial stability in the advanced industrial countries. What were the distinctive aspects of this historical epoch that help to explain how it was that the imperatives of rapid growth and stability were reconciled so successfully?

Part III

5. Many scholars believe that monetary shocks have been a central source of American business cycles from the Depression to the present. What is the evidence for this belief? Has the nature of the “monetary shocks” changed over time? What are some of the strengths and weaknesses of this evidence? What types of additional evidence are needed to test the view that monetary shocks have been key?

6. The zero lower bound has been important in two periods in U.S. history – the 1930s and the past few years. In what ways is the first experience with the zero lower bound relevant to understanding the second? Are there important features of the second experience with the zero lower bound for which the first provides little guidance?

Part IV

7. What are some of the main advantages and disadvantages of attempting to use cross-section data (for example, data on individuals, firms, or regions) to address questions about macroeconomic relationships? Be sure to describe specific papers that illustrate the advantages and disadvantages that you describe.

8. Critically assess the macroeconomic evidence about the aftermath of financial crises. What is the evidence about the correlation between financial crises and subsequent macroeconomic performance? What are some weaknesses of this evidence? How might it be improved on? What is the evidence about the effect of financial crises on subsequent macroeconomic performance? What are some weaknesses of that evidence? How might it be improved on?