

Economic history:

Final Exam

December 15, 2015 - 15h45-17h45. No document allowed.

Exam Guidelines:

Each answer should not exceed **one page**. The evaluation will be based on the ability to write a short but clear and concise answer to each question. The structure of the answers as well as the illustration of the arguments based on empirical evidence will also be taken into account.

The exam can be done either in French or in English.

1) In 1825, France imposed to Haïti financial compensation for loss of slave property, in the form of large public debt. Assume for simplicity that until Haïti's independance half of Haïti's net domestic output Y was paid to slave owners (and the other half was used to sustain the population). Assume the average rate of return to capital was 5 % at the time. How big should have been the public debt, as a fraction of Haïti's annual output Y , in order to fully compensate the slave owners? How does this compare to the observed levels observed for private and public wealth since the Industrial revolution across the world? Comment. (5 points)

2) Describe the main determinants of labor income inequality, and the extent to which they can explain observed historical changes in inequality. (5 points)

3) Great Depression vs Great Recession. Explain the similarities and differences. (5 points)

4) Analyze the historical interaction between the rise of democracy and the decrease of inequality. (5 points)