

**Contemporary Economic History**

Code: 102315  
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OT	4	0
2501573 Economics	OB	3	2

**Contact**

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**Use of languages**

Principal working language: catalan (cat)  
Some groups entirely in English: Yes  
Some groups entirely in Catalan: Yes  
Some groups entirely in Spanish: Yes

**Teachers**

Xavier Cussó Segura

**Prerequisites**

World Economic History (*Historia Económica Mundial*) Micro I, II and Macro I must have been passed  
To be registred in Macro II.

**Objectives and Contextualisation**

Together with Labour History and History of Economic Thought, this course focuses on economic history. The course is normally taken during the third year (6 ECTS credits): it is compulsory for students enrolled in Economics (*Economía*) and elective for those in Business and Enterprise (*Administración i Direcció de Empreses*). The course goes more in depth into the analysis of the role played by time and path dependency in economic decisions and results by adopting a historical perspective. The lectures also connect economic history to present-day economic issues such as the recent financial crisis, to provide students with capabilities and knowledge that are highly valuable in today's job market.

The lecture will be mainly focused on the history of the financial sector and its link with the economy, and it is organized as follows:

1. 1870 - 1914: an era of (a) fixed exchange rates, no inflation and liberal economic policies, as well as (b) formation of new systems.
2. 1914 - 1958: a phase of (a) transition in the exchange-rate system and national economic policies, as well as (b) monetary and financial instability.
3. 1958 - 2010, further divided into:
  1. 1958 - 1973: a period of (a) fixed exchange rates, Keynesian economic policies and (b) change in the financial sector.
  2. 1973 - 2010: a period of (a) flexible exchange rates, neoliberal economic policies and (b) growing financial instability

## Skills

### **Business Administration and Management**

- Capacity for adapting to changing environments.
- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Contextualise economic problems in historical terms.
- Demonstrate initiative and work individually when the situation requires it.
- Demonstrate knowledge of the interrelationships between different economies, the role of national and international economies, their evolution and the consequences that may be produced for the company.
- Identify the economic agents that make up an economy, understanding how they have been interrelated to date, how they are currently interrelated and forecast futures according to new circumstances and their influence on a specific company.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Show motivation for carrying out quality work and sensitivity to the consequences for the environment and society.
- Value ethical commitment in professional practice.

### **Economics**

- Capacity for adapting to changing environments.
- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Contextualise economic problems in historical terms.
- Demonstrate initiative and work individually when the situation requires it.
- Demonstrate knowledge of the interrelationships between different economies, the role of national and international economies, their evolution and the consequences that may be produced for the company.
- Identify the economic agents that make up an economy, understanding how they have been interrelated to date, how they are currently interrelated and forecast futures according to new circumstances and their influence on a specific company.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Show motivation for carrying out quality work and sensitivity to the consequences for the environment and society.
- Value ethical commitment in professional practice.

## Learning outcomes

1. Apply, with historical perspective, new experiences of industrialisation to developing countries.
2. Assess ethical commitment in professional activity.
3. Capacity to adapt to changing environments.
4. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
5. Demonstrate initiative and work independently when required.
6. Demonstrate motivation regarding the quality of the work performed and sensitivity regarding the consequences on the environment and society.
7. Identify the problems of economic agents on the basis of different historic experiences.
8. Organise work, in terms of good time management and organisation and planning.
9. Perform an integrated analysis of the physical, financial, and migratory flows of the economy, on the basis of different historical experiences.
10. Relate finance and policy, in the different phases of contemporary economic growth.
11. Relate finances and policy, in the different phases of contemporary economic growth.
12. Select and generate the information needed for each problem, analyse it and make decisions based on this information.

13. Summarise the different experiences of economic development, on a regional, national and international scale.

## **Content**

### *Introduction*

1. Change, time and uncertainty: economics and economic history
2. Physical and financial capital flows, and their role in economic activity
3. Time and phases: the problems with periodization
4. Skills to be acquired during the course
5. References and the bibliography

### *First part*

*Liberal economic policies and economic growth under the hegemony of the British financial system, 1870 - 1914*

#### Topic 1

The strengthening of international economic ties and the formation of a new multilateral payment system

- 1.1 Population, resources and the expansion of world markets: savings and investments as strategic variables
- 1.2 The international financial flows and relations: the balance of payments and the role of Britain
- 1.3 The rise of the Gold Standard and fixed exchange rates: the British pound, key currency
- 1.4 The first experiments with monetary unions and national economic and monetary policy

#### Topic 2

The formation of the contemporary financial system

- 2.1 The national banking systems: risk and instability
- 2.2 Central banks and banking firms: concentration in the sector and two models (Great Britain and Germany)
- 2.3 The exception: United States, a decentralized system
- 2.4 The expansion of the "city" of London as the first financial centre in the world

#### Topic 3

The classic Gold Standard and fixed exchange rates: theory vs. reality

- 3.1 The theory of adjustments based on prices: from classical economists to the Cunliffe Report
- 3.2 The assumptions of the theory: contradictory evidence and new features of analysis
- 3.3 The Gold Standard in developed countries, colonies and developing economies: Great Britain, India and Argentina
- 3.4 The growing imbalances and the instability of the system

### *Second part*

*From liberal policy to Keynesianism (1914 - 1958): the instability of the international financial system and the role of the United States*

## Topic 4

The financial and social heritage of WWI

4.1 War, society and finance: the crisis of liberal policies and new imbalances

4.2 Post-war policies and growing imbalances

4.3 From instability to stability under the hegemony of the United States: the new exchange rate system based on the Gold Exchange Standard

4.4 The crisis of the nineteenth-century economic model: the Great Depression and the collapse of the international financial system

## Topic 5

WWII and the rise of Keynesian economic policies

5.1 The end of the "laissez faire" and new social and economic policies during the war

5.2 The Bretton Woods conference and the rise of a new international financial system: conflicts and agreements

5.3 The economic and political heritage of the war

5.4 The collapse of Bretton Woods, the World Trade Organization and the "key currency plan": the Marshall Plan and its complementary institutions

## *Third Part*

*From Keynesianism to Neoliberalism (1958 - 1990): from fixed to flexible exchange rates and the rising importance of supranational finance*

## Topic 6

The new International Monetary System and the Gold Exchange Standard based on the US dollar

6.1 Economic growth, financial stability and the welfare state until 1971: a unique phase?

6.2 First problems with the Gold Exchange Standard (\$): the US balance of payment and the Eurodollar market, rising inflation and the crisis of the British pound

6.3 From the crisis of Bretton Woods to generalized crises: stagflation and flexible exchange rates

6.4 New financial products and operations: the future market and financial "sanctuaries"

## Topic 7

New financial equilibriums and Neoliberal policies

7.1 The rise of Neoliberal policies and the return to austerity

7.2 Expansion and weaknesses of the new financial system in the 1980s: foreign debt crises

7.3 The fall of the welfare state

7.4 The precarious economic, social and financial equilibriums of the 21st century

## **Methodology**

The lecture will be organized in three main blocks, the first of 4 weeks and two of about 5 each following. Different methodologies will be used:

1. *1. Lecture*

The teacher will present the main topics, as well as the historical and international context, in class. Each topic will be covered through about 3 lectures

1. *2. Practical sessions*

The aim of these sessions is to develop skills that are complementary to the knowledge and capabilities gained through the lectures. The students will work on assignments, problems and questions based on the topics discussed in class. There will be approximately one practical session per week. The students will be asked to search for information and to draft brief essays independently or within a group.

1. *3. Individual and team work*

The activities presented above should be complemented by independent work carried out by the students alone and / or in groups, to elaborate more on the information provided in class and strengthen their understanding of the topics presented during the lectures

1. *4. Office hours*

Office hours should be used to clarify specific points and to tackle problems with the understanding of each given topic. Office hours will be fixed during the first week

1. *5. Campus Virtual*

The online campus platform (*Campus Virtual*) will stand as a precious tool in order to communicate between the lecturer and the students, as well as to coordinate for distributing materials and handing in essays / answers etc.

**Formative activities**

1. Lectures

- 1. Lecture by the teacher
- 2. Practical sessions
- 3. Office Hours
  - 1. Office hours
  - 2. Independent work
    - 1. Lectures and study
    - 2. Work based on practical exercises and research questions

**Activities**

Title	Hours	ECTS	Learning outcomes
<b>Type: Directed</b>			
Lectures	35	1.4	9, 3, 7, 10, 11, 13, 1
Practical sessions	15	0.6	4, 5, 6, 8, 12, 2
<b>Type: Supervised</b>			
Office hours	7	0.28	9, 3, 7, 6, 8, 10, 11, 12, 2
<b>Type: Autonomous</b>			

Exercises	43	1.72	9, 3, 4, 5, 7, 6, 8, 10, 11, 12, 13, 1
Study	44	1.76	9, 4, 5, 7, 6, 8, 10, 11, 12, 13, 1, 2

## Evaluation

There will be a following up assesment worth 10% of the final course mark, a mid-term exam worth 45% and a final exam worth 45% of the total.

A student who has not sat for the final exam will be considered 'Not evaluable'.

The dates of the evaluation activities (midterm exams, exercises in the classroom, assignments, ...) will be announced well in advance during the semester.

The date of the final exam is scheduled in the assessment calendar of the Faculty.

*"The dates of evaluation activities cannot be modified, unless there is an exceptional and duly justified reason why an evaluation activity cannot be carried out. In this case, the degree coordinator will contact both the teaching staff and the affected student, and a new date will be scheduled within the same academic period to make up for the missed evaluation activity."* **Section 1 of Article 115. Calendar of evaluation activities (Academic Regulations UAB).** Students of the Faculty of Economics and Business, who in accordance with the previous paragraph need to change an evaluation activity date must process the request by filling out an **Application for exams' reschedule**

[https://eformularis.uab.cat/group/deganat\\_feie/application-for-exams-reschedule](https://eformularis.uab.cat/group/deganat_feie/application-for-exams-reschedule)

### Grade revision process

After all grading activities have ended, students will be informed of the date and way in which the course grades will be published. Students will be also be informed of the procedure, place, date and time of grade revision following University regulations.

### Retake Process

*"To be eligible to participate in the retake process, it is required for students to have been previously been evaluated for at least two thirds of the total evaluation activities of the subject."* **Section 3 of Article 112 ter. The recovery (UAB Academic Regulations).** Additionally, it is required that the student to have achieved **an average grade of the subject between 3.5 and 4.9.**

The date of the retake exam will be posted in the calendar of evaluation activities of the Faculty. Students who take this exam and pass, will get a grade of 5 for the subject. If the student does not pass the retake, the grade will remain unchanged, and hence, student will fail the course.

### Irregularities in evaluation activities

In spite of other disciplinary measures deemed appropriate, and in accordance with current academic regulations, *"in the case that the student makes any irregularity that could lead to a significant variation in the grade of an evaluation activity, it will be graded with a 0, regardless of the disciplinary process that can be instructed. In case of various irregularities occur in the evaluation of the same subject, the final grade of this subject will be 0"*. **Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations).**

## Evaluation activities

Title	Weighting	Hours	ECTS	Learning outcomes
Exam	45	2.5	0.1	9, 3, 4, 5, 7, 6, 8, 10, 11, 12, 13, 1, 2
Final Exam	45	2.5	0.1	9, 3, 4, 5, 7, 6, 8, 10, 11, 12, 13, 1, 2

## **Bibliography**

### **Main and basic textbook reference**

Eichengreen, B. J. (2008): *Globalizing Capital: A History of the International Monetary System*, Second Edition. Princeton, Princeton University Press.

### **Other references and textbooks**

Eichengreen, B. J. (ed.) (2006): *The European economy since 1945: coordinated capitalism and beyond*. . Princeton, Princeton University Press.

Flandreau, M. et al. (eds.) (2003): *International financial history in the Twentieth century: system and anarchy*. Cambridge, Cambridge University Press.

Wachtel, H. M. (1986): *The money mandarins. The making of a new Supranational Economic Order*. New York, Pantheon Books.