

European economy from the Industrial Revolution to Covid-19

Course code	ECO136
Course title	European economy from the Industrial Revolution to Covid-19
Type of course	Elective
Stage of study	Undergraduate
Department in charge	Undergraduate School
Semester	Summer Programme
ECTS	6 ECTS (36 lectures and workshops + 2 consultation hours + 112 individual work hours)
Coordinating lecturer	Adomas Klimantas
Studies form	Full-time, free mover
Prerequisites	None
Language of instruction	English

Course description

The module provides the reader with the general understanding of the European economic development from the beginning of the modern economic growth in England in the wake of the Industrial revolution to the economic downturn caused by the Covid-19 pandemic in 2020-2021. The course also introduces the reader to the concept of aggregate production and growth and the main measure of macroeconomic growth – the GDP. The flow of the module is strongly attached to the changing economic regimes in Europe which happened half-chronologically, half-geography based. These begin with the first globalisation and implementation of the classical economic thought in the 1800s and then run through the collapse of the laissez-faire system during WWI, the formation of the Keynesian ideas of active involvement of the government in the economy, their success and failure in the post WW2 Europe, the turn back to deregulation and the modern approach of active government intervention. On the parallel side, the course covers the two distinctive and radical economic regimes – the right-wing authoritarian one and the centrally planned Communist one. As the economic regimes are connected to the respective economic theories and thinkers, the course touches on them in each topic as well. Each economic event is evaluated through the lens of income per capita – whether in the short- or long-term an average citizen benefited or lost from the change implemented or sustained. And whether the lessons learned helped governments achieve better results in the following years. The course summarises the lead-up and reasons for the current macroeconomic thought. It gives the reader a comprehensive understanding of how the 150 years of European economic integration-disintegration and economic regime changes created the macroeconomic thought we have today. The module is containing theoretical lectures, reading papers and their presentations, and a final exam.

Course aim

The aim of the course is firstly to give the students an understanding of the benefit of the long-run economic growth analysis. Secondly, the course aims to provide the readers with knowledge of what exactly changed in the European economy since the 1800s, why those changes happened, what were the effects of these changes on an average citizen and what is the impact of them on today's macroeconomic thought. After the course the students will be able to answer why the modern economic growth started in Western Europe, how it accelerated the growth in the continent and establishment of Europe as the European leader. They will also be able to distinguish the reasons why

certain parts of Europe are and/or have been better off than others. They will be able to trace the origins of modern economic thought and its alternatives with empirical examples of how versions of these policies worked in the past. Finally, the students will be able to understand the impact of European economic integration as the main driver of long-term growth, prosperity and peace in the Old continent. Afterwards each student is invited to accept or to challenge the idea of further European integration. Ideally, the reader should be comfortable in engaging in discussions about this central idea the course suggests based both on the theory provided and on his/her own take on the issue.

Course learning outcomes (CLO)	Study methods	Assessment methods
CLO1. Understanding the concept of GDP as the main macroeconomic indicator, being able to make assumptions about a country from GDP and GDP per capita data.	Lecture, self-study	Group presentations and exam
CLO2. Being able to tell when, why and where the Industrial revolution began and how it shaped the European continent until WWI	Lecture, self-study, group presentations and class discussions	Group presentations and exam
CLO3. Understanding why the laissez-faire regime collapsed, being able to discuss the competing reasons for trying to restore it after WWI and being able to connect this with the emergence of the interventionist economic thought.	Lecture, self-study, group presentations and class discussions	Group presentations and exam
CLO4. Being able to distinguish between the growth paths taken by the West, East and authoritarian South of Europe during the build-up and aftermath of WWII	Lecture, self-study, group presentations and class discussions	Group presentations and exam
CLO5. Understanding the economic performance of the different economic regimes in Europe since WWII, being able to discuss the role, achievements, and desirability of each, based on course material and own opinion	Lecture, self-study, group presentations and class discussions	Group presentations and exam
CLO6. Being able to retrace the origins of the 2008 economic crisis, its importance, and lessons for today as well as the change in the practical means of achieving and sustaining economic growth post-crisis until	Lecture, self-study, group presentations and class discussions	Group presentations and exam

today.		
CLO7. Understanding the role of European integration in both historical economic picture and modern one.	Lecture, self-study, group presentations and class discussions	Pre-coursework, group presentations and exam
Being able to engage in independent discussions about the idea of future integration of European countries by expressing own opinion on the matter based on viable arguments.	Lecture, self-study, group presentations and class discussions	Pre-coursework, group presentations and exam

Course content

Topic no.	Topic	Class hours (lectures and seminars)	Readings and homework
1	Measures of modern and historical aggregate production and growth	1.5	Reading 1 & 2
2	European economy from Industrial revolution to WWI	4.5	Readings 3-5 and their presentations
3	European economy between the wars	4.5	Readings 6-8 and their presentations
4	Economic dirigisme in authoritarian-fascist regimes	4.5	Readings 9-11 and their presentations
5	The centrally planned economic system - USSR and the Communist bloc	4.5	Readings 12-14 and their presentations
6	Mixed economy and welfare state in an integrated post-World War II Western Europe	4.5	Readings 14-16 and their presentations
7	Globalization, 1980s-2008: return to laissez-faire?	4.5	Readings 17-19 and their presentations
8	European economy from the 2008 crisis to the present	4.5	Readings 20-22 and their presentations
9	Exam	3	
	Total	36	

Assessment methods

Assignment	Total hours	Final grade %
Pre-coursework assignment	20	30
Group presentation	30	35
Final exam	62	35
Total	112	100

The **pre-course assignment** will account for 30% of the final grade. Students will be asked to write a short discussion essay (1500-2000 words) about their take on the European economic integration in the past, present, and future. The student may use any sources desired (or use none) to base his/her opinion on the matter.

The group presentation will account for 35% of the final grade. Students will be distributed into groups of 2-5 with each group having a research/discussion paper assigned to it. The paper will have to be presented by the group to the rest of the students during the seminar following the respective theory lecture concerning the topic.

The **final exam** will account for 35% of the final grade, it will cover topics 1-8 as well as the main points from the papers presented during the group presentations in the seminars. The exam will consist of multiple-choice test questions, and it may include an open question at the end.

In case of a negative final grade, students are allowed to **retake** the exam. The retake will consist of a written report on a topic which will be sent by e-mail in 5 working days after the final exam. This written report must be submitted in 20 calendar days after the final exam; the weight of the retake is 60%. Pre-coursework and group presentation assignments cannot be rewritten or retaken.

Pre-coursework and group presentation assignments that are not submitted or presented on time will be graded as 0 without any exceptions.

Students will be assessed according to the criteria that will be presented at the first lecture. Any submitted written assignment and presentation should conform to the general guidelines of report writing of ISM. Students cannot redo their home assignments after the deadline. Plagiarism cases will be reported to ISM Committee of Ethics.

Remark:

The final grading for the course is calculated according to the accumulative formula as indicated in the Regulation of Studies at ISM. Negative grades (below 5) are not included into the accumulative grading system!