

University
Of Dundee

DEPARTMENT OF ECONOMIC STUDIES



**Business and
British Economy
since 1945:
decline & resurgence?**

Course Reading Guide

Session 2002 - 2003

This guide should be read in conjunction with the Course Outline. This guide provides extra information on essays, presentations and a detailed reading list.

ESSAYS

Each student is required to submit two essays, one from each group below. Students should use the reading list below as a preliminary guide only and use the resources held within the Library to supplement their research. Essays should be in the region of 2,000 words, and no longer than 2,500. This is to encourage concise expression and effective use of a wide range of materials. Students may be penalised if they exceed the word limit. Essays will be expected to demonstrate the following qualities;

- i) sufficiently wide reading to tackle the question
- ii) relevance of the answer to the question set
- iii) a good grasp of a variety of explanations
- iv) a well-structures, coherent analysis
- v) a careful selection of evidence and consistent analysis
- vi) display individual judgement

Essays should include references to acknowledge the ideas and views of authors whose work is cited. Students may present references in footnotes or endnotes but in all cases students should provide author(s), title, journal title and volume (where necessary), date of publication and page(s). All books and journals consulted should be listed in a bibliography at the end of the essay. All essays should be typed unless otherwise agreed.

The deadline for the first essay is Monday, week 10 and for the second essay is Monday week 20. Essays should be handed in to the **Economics Studies Departmental Office** on the day of submission. Essays submitted on time will be marked and returned within fourteen days after the deadline for submission. Students are required to hand in two copies of each essay.

Plagiarism Students should familiarise themselves with university policy on plagiarism. Cases of plagiarism which are detected (from the transcription of a book, article or other student's essay) will result in the award of a mark of zero.

ESSAY TITLES

Answer one question from the following and submit the essay by the Monday, week 10.

1. Has the British economy declined and should government be concerned? Discuss
2. Did the short-term responses to the problems of post-war reconstruction create long-term institutional constraints to long-term economic growth?

3. In what ways did the Bretton Woods system create the conditions for the long-boom?
4. Have, either the level of welfare spending or the level of inequality of incomes compromised Britain's capacity to improve economic performance as rapidly as Western European competitors since 1945?
5. "Labour relations are only one of many problems inhibiting competitiveness." Discuss in relation to any ONE industry in the post-war period.

Answer one question from the following and submit the essay by the Monday of week 20.

- 1 To what extent was inflation in the 1970s imported?
- 2 Were high levels of unemployment in the 1980s the result of unrealistic collective bargaining?
- 3 Discuss the nature of the Thatcher miracle.
- 4 Examine the process of privatisation in one industry with which you are familiar and comment on the outcomes.
- 5 What grounds are there for Britain leaving the EU?

TUTORIAL PRESENTATION

The primary objective of the presentation is to develop your ability to present complex ideas orally in a clear, coherent and concise fashion. You should also be prepared to defend your ideas in the subsequent group discussion. The tutorial topics, which are an integral part of the course, are designed to enhance and deepen your understanding of the subject material. You can find some guidance on how to make presentations on the University web-site <http://www.dundee.ac.uk/advancedundee/>. Students are expected to read and prepare for all tutorials, not simply for the tutorials in which they are presenting. Extensive reading is an essential component of this course.

Failure to deliver a tutorial presentation without a valid excuse will result in a mark of zero. Attendance is compulsory for all lectures and tutorials. Consult Dr Morelli when preparing the paper.

It will be marked according to the following criteria:

- i) effectiveness in terms of audibility, speed of delivery, use of handouts etc.
- ii) a clear statement of aims/objectives
- iii) locating subject within its wider context
- iv) organisation, relevance and quality of material (i.e. not too much)
- v) range of reading and use of evidence
- vi) quality of analysis and argument
- vii) establishment of rapport with and generation of interest among listeners

TUTORIAL TOPICS

1. The 1945 Attlee government proved successful in introducing supply-side reforms. Discuss
2. Why does Britain no longer have an indigenous mass production car manufacturer?
3. Why was unemployment so low during the 'golden-age'?
4. How successful has industrial policy been since 1945?
5. Have mergers improved the performance of the UK economy?
6. Can the welfare state be sustained?
7. Does the decline of the economy's manufacturing base and rise of the service sector matter?
8. Is there room for government intervention on a national scale in a global economy?

READING

The course will provide texts suitable for students both with and without an economics background.

Core Texts:

- R. Floud & D. McCloskey, (ed.s), The Economic History of Britain since 1700, Vol.3, 1945-1990, (Cambridge 2nd Edition 1994), ISBN 0521 298431
- P. Curwen (ed.), Understanding the UK Economy, (4th edition, 1997), ISBN 0333 685253.
- N.F.R. Crafts & N. Woodward (ed.s), The British Economy since 1945, (Oxford 1991), ISBN 019 8772734
- T. Gourvish & A. O'Day (ed.s), Britain since 1945, (London 1991), ISBN 0333 491580

FURTHER READING: The above texts provide only an introduction to the subject and to pursue a topic in depth you *must* be prepared to supplement your reading with further books and journal articles. Books and articles of specific interest are provided below and further material will be drawn to your attention in lectures as the course proceeds. You should also take the initiative by browsing through the journals in the library. In particular you should familiarise yourself with the following journals; *Economic History Review*, *Journal of Economic History*, *Business History*, *Past & Present* and *Contemporary British History*. The library also holds a number of books on specific firms and industries which you might read with profit, especially for your essays.

All students are expected to have read the starred * items below. You should also attempt to read a proportion of the remainder of the articles and book chapters cited.

1. British economic growth in the long run: trend and cycles since 1945.

- *S.A. Marglin and J.B. Schor, The Golden Age of Capitalism, (Oxford 1991), Chapters 1 & 2
- *S. Broadberry, The Productivity Race, (Cambridge U.P. 1998), Chapter 2, 12 & 13
- *K. Flett & D. Renton (eds), The Twentieth Century: A century of wars and revolutions, (Rivers Oram 2000)
- N.F.R. Crafts & N. Woodward, The British Economy Since 1945, (Oxford 1991), Chapter 1
- N.F.R. Crafts et.al., 'Controversy: Deindustrialisation and Britain's Industrial Performance since 1960', Economic Journal, Vol.106, No.434, 1996
- L. Elliott & D. Atkinson, The Age of Insecurity: if the economy is booming, why is Britain increasingly a nation in therapy?, (1998).
- J. Gray, False Dawn: the delusions of global capitalism, (1998).
- R. Middleton, The British Economy Since 1945: Engaging with the debate, (New York 2000)
- D.Edgerton, Science, Technology and the British Industrial Decline, (1996)
- R.T. Flanagan, D.W. Soskice & L.Ulman, Unionism, Economic Stabilisation and Incomes Policy, (1983), Chapter 7
- C. Harman, 'Where is Capitalism Going?', International Socialism, No.58, Spring 1993
- W. Hutton, The State We're In, (1995)
- C. Morelli, 'Socialists and Economic Growth: The myth of employers and union connivance in explaining relative economic decline' in D. Renton (ed.) 'The political economy of British relative economic decline', (2000).
- H. Phelps Brown, 'What is the British predicament?', Three Banks Review, 116, 1977
- M. Olson, The Rise and Decline of Nations, (New Haven: Yale University Press), (1982)
- P. Hall, 'The State and Economic Decline' in B. Elbaum & W. Lazonick (ed.), The Decline of the British Economy, (Oxford 1987)
- K. Williams, J. Williams and D. Thomas, Why Are The British Bad At Manufacturing?, (1983), Introduction
- N.F.R. Crafts & G. Toniolo, Economic Growth in Western Europe since 1945, (1996)
- R. Bacon & W.A. Eltis, Britain's Economic Problem: Too few producers, (1978)

2. Post-War Reconstruction

- *A. Caimcross, Years of Recovery British Economic Policy 1945-51, (1985), chapters 2, 6-8
- *N. Tiratsoo and J. Tomlinson, Industrial Efficiency and State Intervention, (1993)
- A.S.Milward, The Reconstruction of Western Europe, 1945-51
- J.C.R. Dow, The Management of the British Economy 1945-60, (1968)
- H. Jones and M. Kandiah (ed.s), The Myth of Consensus, (1996)

H. Mercer, N. Rollings and J. Tomlinson, Labour Governments and Private Industry, (1992), chapters 2-7
A.A. Rogow, The Labour Government and British Industry, 1945-51, (1955)
J. Tomlinson, Public Policy and the Economy since 1900, (1990), chapter 9
A. Cairncross, Years of Recovery British Economic Policy 1945-51, (1985), chapter 14
J. Tomlinson, 'The Failure of the Anglo-American Council on Productivity', Business History, No.33 1991
K. Burgess, 'British Employers and Education Policy, 1935-45: A decade of 'Missed Opportunities?', Business History, Vol.36, No.3, 1994

3. Great Britain and the international economy: from Bretton Woods to the Smithsonian Agreement

*B. Tew, The Evolution of the International Monetary System, 1945-1985 (1985) espec. Chapters 1,2,10-15.
*W. Scammell, The International Economy Since 1945 (1983) espec. chapters 2,3,8 &12

A.Cairncross, 'The United Kingdom', in A. Graham, & A. Seldon (ed.s), Government and Economies in the Postwar World, (1991)
J.E. Spero, The Politics of International Economic Relations (1990), chapters 1-3
A. Carew, Labour under the Marshall Plan, (1987), Chapters 9-11
M. Curtis, The Great Deception: Anglo-American Power and World Order, (1998), Chapters 1-4
J. Foreman-Peck, A History of the World Economy, (1983), Chapters 9-11
J. Saville, The Politics of Continuity, (1993), Chapters 1,3 and 4
A. Maizels, Industrial Growth and World Trade, (1963), Introduction and chapters 1,3 & 4
A.S. Milward, 'The European Rescue of the Nation State, (1992), Chapter 7
B. Eichengreen, 'Institutions and economic growth' in NFR in Crafts & G. Toniolo (ed.s), Western European Growth since 1945, (1996)
A.S. Milward, The Reconstruction of Western Europe 1945-51, (1984)

4. Government expenditure and the role of the State

*T. Gourvish and A. O'Day (eds.), Britain Since 1945, (1991), Chapter 6
*N.F.R. Crafts & N. Woodward, The British Economy Since 1945, (Oxford 1991), Chapter 3, 8 & 12
*R. Middleton, Government versus the Market (1996)

L. Duff, The Economics of Governments and Markets, (1997)
R. Middleton, Government versus the Market (1996), Part IV
D.E.H. Edgerton, 'Liberal militarism and the British state' New Left Review, No.185, 1991

P. Hall, Governing the Economy, (1986), chapters 2-3
A. Schonfield, Modern Capitalism, (1969), Chapters 4,6 & 8
I. Zweiniger-Bargielowska, Austerity in Britain: Rationing, Controls, and Consumption 1939-1955, (2000)
T. Hatton and R. Bailey, 'Seebohm Rowntree and the postwar poverty puzzle', Economic History Review, No.3, 2000, pp. 517-43.

5. Industrial restructuring and industrial policy

*N.F.R. Crafts & N. Woodward, The British Economy Since 1945, (1991), chapters 10 & 11
*E. Lorenz and F. Wilkinson, The Shipbuilding Industry, in B. Elbaum & W. Lazonick (ed.), The Decline of the British Economy, (Oxford 1987),

H. Armstrong and J. Taylor, Regional Economics and Policy, (1985), chapters 9-11, 15
D. Burn, The Structure of British Industry, Vol.2, (1958)
R. Church, The Rise and Decline of the British Motor Industry, (1994)
P.J.S. Dunnett, The Decline of the British Motor Industry, (1980)
J. Foreman-Peck, S. Bowden & A. McKinlay, The British Motor Industry, (1995)
D.C. Hague, The IRC an Experiment in Industrial Intervention, (1983)
N. Harris, Competition and the Corporate Society, (1972)
D.M. Higgins, 'Rings, mules and structural change constraints in the Lancashire textile industry c.1945-65', Economic History Review, No.2,1993
D.T. Jones, The Import Threat to the UK Car Industry, (Brighton 1985)
A. Knight, Private Enterprise and Public Intervention: The Courtaulds Experience, (1974)
E.H. Lorenz, Economic Decline in Britain: Shipbuilding 1890-1970, (1991)
H. Mercer, N. Rollings and J. Tomlinson, Labour Governments and Private Industry, (1992), chapters 8 - 10
H. Mercer, Constructing a Competitive Order, (Cambridge 1995)
C. Miles, 'Protection of the British Cotton Industry' in W. Cordon and G. Fels (eds.), Public Assistance to Industry, (1976)
A. Omerod, 'Prospects for the British Cotton Industry', Yorkshire Bulletin of Economic and Social Research, 15, 1963
A. Schonfield, Modern Capitalism, (1965)
J. Singleton, 'Lancashire's last stand: Declining Employment in the British Cotton Industry, 1950-70', Economic History Review, No.1, (1986)
J. Singleton, Lancashire on the Scrapheap: The Cotton industry 1945-70, (1991)
D. Thomas, 'Shipbuilding - demand linkage and industrial decline', in K. Williams, J. Williams and D. Thomas, Why Are The British Bad At Manufacturing?, (1983)
S. Wilks, Industrial Policy and the Motor Industry, (1984) Chapters 4,9 and 10

6. The age of stagflation

*N.F.R Crafts & N. Woodward, The British Economy since 1945 (1991), chapters 6, 7 & 13

*V. Argy, The Postwar International Monetary Crisis: An Analysis (1980), chapters 5-9, and Part III

R. Floud & D. McCloskey, The Economic History of Britain since 1700 (1994). v. 3 , chapter 3.

A. Lindbeck, 'The recent slowdown in productivity growth', Economic Journal, (1983), v. 83, pp. 13-34.

J.D. McCallum, 'Inflation and social consensus in the seventies', Economic Journal, (1983), v. 93, 784-805

C. Bean, 'The Impact of North Sea Oil' in R. Dornbusch & R. Layard, The Performance of the British Economy (1987)

A. Boltho, (ed), The European Economy, Growth & Crisis (1991), chapters 3 & 18.

C.J. Allsop & D.G.Mayes, 'Demand Management in Practice' in D.J. Morris. (ed) The Economic System in the UK (1985), 398-443.

M. Artis & D. Cobham, (eds) Labour's Economic Policies, 1974-79 (1991).

A. Singh, 'UK industry and the world economy: A Case of de-industrialisation' in C. Feinstein, (ed) The Managed Economy (1983)

S.A. Marglin & J.B.Schor. The Golden Age of Capitalism, (1991), chapters 1, 2, 3, & 6

M. Bruno & J.D.Sachs, The Economics of Worldwide Stagflation (1985)

R. Layard, S. Nickell, & R. Jackman, Unemployment (1991) especially chapter 2.

7. Employment and the social wage

* N.F.R. Crafts & N. Woodward, The British Economy Since 1945 (1991), chapters 7 & 14

*H. Glenister & J. Hills, (eds) The State of Welfare: The Economics of Social Spending (1998) espec. Chapters 1,2 & 8.

R. Floud & D. McCloskey, The Economic History of Britain since 1700 (1994), v. 3, chapters 7 & 10.

D. Helm & K. Mayhew (eds), 'Reform of the Welfare State', a collection of articles published in a special edition of Oxford Review of Economic Policy, vol 11, no. 3, 1995.

J. Hills, The Future of the Welfare State: A Guide to the Debate (1993)

J.Le Grand, 'The Middle Class Use of British Social Service' in R.E. Goodwin & J. Le Grand, Not Only the Poor, (1987)

A. Atkinson, J. Hills & J. Le Grand, 'The Welfare State' in R. Dornbusch & R. Layard, (eds) The Performance of the British Economy (1987)

A. Atkinson (ed), Poverty & Social Security (1989)

M.Sawyer, 'Income Distribution and the Welfare State' in A. Boltho, (ed) The European Economy: Growth and Crisis (1991), 189-223.

R. Mishra, The Welfare State in Capitalist Society espec. Chapters 1,2 & 5

N. Timmins, The Five Giants: A Biography of the Welfare State (1995)
P. Wilding, (ed) In Defence of the Welfare State (1986)
R. Layard, S. Nickell & R. Jackman, Unemployment (1994) espec. Chapter 1.

8. Government Policy in the 1980s: From Keynesianism to Monetarism?

A. Cairncross, The British Economy since 1945: Economic Policy and Performance, 1945-1990 (1992) chapters 6 & 7.

N.F.R. Crafts & N. Woodward, (eds) The British Economy Since 1945 (1991), chapters 2 & 3.

R. Floud & D. McCloskey, The Economic History of Britain since 1700 (1994), v. 3, chapter 8.

R. Dornbush & R. Layard, eds. The Performance of the British Economy (1987), chapters 1 & 2

J. Michie (ed), The Economic Legacy, 1979-1992 (1992), especially chapters 4, 9, 12,
J. Maynard, The Economy under Mrs. Thatcher (1988)

C. Johnson, The Economy under Mrs. Thatcher (1991), chapter 2.

M. Sharp & W. Walker, 'Thatcherism and Technical Advance – Reform without Progress' in T. Buxton, P. Chapman & P. Temple, (eds) Britain's Economic Performance (1994)

A. Bartlett, 'Supply-Side Economics: Theory and Evidence' National Westminster Bank Quarterly Review (1985), 18-29.

K. Blackburn & M. Christensen, 'Monetary Policy and Policy Credibility' Journal of Economic Literature (1989), v. 27, 1-45

N. Kaldor, The Scourge of Monetarism (1986)

E.J. Evans, Thatcher and Thatcherism (1997)

9. Privatisation and welfare

*R.E. Caves, 'Lessons from Privatisation in Britain' Journal of Economic Behavior & Organization (1990), v. 13, 145-169

*J. Vickers & J. Yarrow, Privatization: An Economic Analysis (1988), espec. Chapters 2 & 3.

A.E. Boardman & A.R. Vining, 'Ownership and Performance in Competitive Environments: A Comparison of the Performance of Private, Mixed and State-Owned Enterprises' Journal of Law and Economics (1989), v. 33, 1-33

J. Le Grand & R. Robinson, Privatisation and the Welfare State

M. Chick, 'Nationalization, privatization and regulation' in M.W. Kirby & M. Rose, (eds), Business Enterprise in Modern Britain (1994), 315-338.

J.A. Kay, C. Mayer, & D. Thompson, (eds), Privatisation and Regulation: The UK Experience (1986)

J.A. Kay & D. Thompson, 'Privatisation: a Policy in Search of a Rationale', Economic Journal, (1986), v. 96, 18-32

B. Fine & C. Poletti, 'Industrial Prospects in the Light of Privatisation' in J. Michie, (ed.), The Economic Legacy (1992), 315-330.
J. Hills, Deregulating Telecoms (1986)
W. Sharkey, The Theory of Natural Monopoly (1982)
H. Averch & L. Johnson, 'Behaviour of the Firm under Regulatory Constraint' American Economic Review (1962), v. 52, 1052-69

10. EEC, Globalisation and the new millennium

*M.J. Dedman, The Origins and Development of the European Union, 1945-1995 (1996), especially chapter 6.
*D. Swann (ed) The Single European Market and Beyond (1992), chapters 1,2 & 8
F. Giavazzi, 'The Impact of EEC Membership', in R. Dornbusch & R. Layard, The Performance of the British Economy (1987), 97-130
E.L. Grinols, 'A Thorn in the Lion's Paw: Has Britain Paid Too Much for Common market Membership' Journal of International Economics (1984), 16, 271-93.
B. Burkitt, M. Baimbridge & S. Reed, From Rome to Maastricht: A Reappraisal of Britain's Membership of the European Community (1992)
B. Burkitt & M. Baimbridge, 'The Performance of British Agriculture and the Impact of the Common Agricultural Policy: An Historical Review' Journal of Rural History (1990), v.1
K. Twitchett, Europe and the World: External Relations of the Common Market (1978*)
A. Duff, Reforming the European Union (1997)
P. Gowan & P. Anderson, The Question of Europe (1997), chapters 1,2, 10-15.