Twentieth Century European Capitalism

Course Overview
Nineteenth century Europe was the birthplace of economic liberalism. The gold standard, the night watchman state, and the writings of the classical economists laid the foundation for a golden age of laissez-faire capitalism centered on the nation-state. More than a century later we now see Europe as the birthplace of the modern welfare state, a pioneer of organized capitalism, the host for an experiment in fascist and communist economics, and the center for a supranational process of economic cooperation: the European Union.

This course traces the evolution of European capitalism during the twentieth century, from a laissez-faire to a social market economy. Throughout the semester we will study the key themes and turning points that shaped Europe’s economic development: the Great Depression, the world wars; alternative ways of organizing economic life under fascism and communism; the stagnation of the 1970s; and finally the European economic integration.

Course Goals
At the end of this course you should have acquired concrete knowledge of broad themes in European economic history, such as the relationship between the state and the market, the relationship between power and economic growth, and the relationship between the global market and Europe’s national economies. This will give you a historically informed understanding of Europe’s place in today’s global world, and will help you make sense of where Europe might be heading in the future. In addition, this course aims to give you the foundation for a critical understanding of economic history as a discipline. We will approach economic history from a variety of angles, using economic models, the commentary of contemporaries (marked with an asterix in the syllabus), and case studies of particular sectors to study Europe’s economic development. Finally, in this class you should improve your ability to articulate and defend a clear argument, both in writing and in speaking, and to lead a lively discussion.

Books
- Barry Eichengreen, The European Economy since 1945: Coordinated Capitalism and Beyond (Princeton 2007)
- Francois Duchene, Jean Monnet: The First Statesman of Interdependence (Norton 1980)
- Peter Temin, Lessons from the Great Depression (Cambridge 1991)
- Robert Allen, Farm to Factory: A Reinterpretation of the Soviet Industrial Revolution (Princeton 2009)
- Simon Reich, Fruits of Fascism: Postwar Prosperity in Historical Perspective (Cornell 1990)
- Course Reader with articles, chapters, and primary sources.
Weekly Reading Schedule – Estimated reading load is 100-200 pages a week.

1. **The Golden Age of Liberal Capitalism**
   - Jeffrey Frieden, “Last Best Years of the Golden Age, 1896-1914” in *Global Capitalism its Fall and Rise in the Twentieth Century*
   - *J.M. Keynes, “Europe Before the War,” in *The Economic Consequences of the Peace*
   - *Norman Angel, “War and Foreign Trade” in *The Great Illusion*

2. **Capitalism at War—World War I**
   - Stephen Broadberry and Mark Harrison, *The Economics of World War I: CHs. on Germany, France, and Great Britain*
   - Niall Ferguson, “Economic Capability: the Advantage Squandered” and “‘Maximum Slaughter at Minimum Expense’: War Finance” in *The Pity of War*
   - *Rudolf Hilferding, “The Organized Economy”*

3. **Reconstructing Europe—Take 1**
   - *J.M. Keynes, “Proposals for the Reconstruction of Europe,” in *Essays in Persuasion*

4. **The Great Depression**
   - Peter Temin, *Lessons from the Great Depression*
   - *Wihlelm Grotkopp, Breaking Down the Tariff Walls: Ways Leading to the Unification of European Economies (excerpts)*

5. **The Economics of Communism**
   - Robert Allen, *Farm to Factory*
   - *Joseph Stalin, Five Year Plan Speech*

6. **The Economics of Fascism**
   - Adam Tooze, *Wages of Destruction: The Making and Breaking of the Nazi Economy*
   - *Adolf Hitler, Four Year Plan Memorandum*

7. **Capitalism at War—World War II**
   - Richard Overy, “A Genius for Mass Production: Economies at War” and “A War of Engines: Technology and Military Power” in *Why the Allies Won*
   - Mark Harrison *The Economics of World War II: Six Great Powers in International Comparison. CHs. on Germany, Great Britain, and the Soviet Union*
   - *E.H. Carr, Condition of Peace (excerpts)*

8. **Reconstructing Europe—Take 2**
   - Barry Eichen green, CH 1-3 in *The European Economy since 1945*
   - Charles Maier, “The Two Postwar Eras and the Conditions for Stability in twentieth Century Western Europe,” in *The Search for Stability*

- Barry Eichengreen, CH 4-8 in The European Economy since 1945

10. Creating the European Common Market
- Francois Duchene, Jean Monnet, CHs 5-10
- *Jean Monnet, Memoirs (excerpts)

11. Case Study of a Sector: The Automobile Industry
- Simon Reich, Fruits of Fascism

12. The 1970s: Crisis and Transition

13. The Fall of Communism
- Ivan Berend, “The Centrally Planned Economic System,” in An Economic History of Twentieth-Century Europe: Economic Regimes from Laissez-Faire to Globalization
- Barry Eichengreen, CH 10 in The European Economy since 1945
- *Janos Kornai, “Tasks of the Economic Transition from a Political Standpoint,” in The Road to a Free Economy

14. Europe and the European Union Today
- Walter Laqueur, “The Failure Integration, and Europe’s Future” in The Last Days of Europe: Epitaph for an Old Continent
- Barry Eichengreen, CH 12 in The European Economy since 1945