

Part I Paper 5
British Economic History
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Paper Content

This paper covers the development of the British economy from 1750 to 1939. The course is intended to give students an understanding of how Britain arrived at its present economic position, with particular emphasis on the importance of its starting point, previous development and institutions in determining this position. Economic theory and quantitative methods are applied to the historical findings, showing both the relevance of economic analysis to our understanding of history and the importance of the historical context in interpreting changes in the economy.

Aims

The aim of the paper is to introduce participants to conceptual tools and empirical findings relevant to understanding the historical development of the British economy from 1750 to 1939.

Objectives

By the end of this paper, students should have acquired a basic knowledge and understanding of:

- the role played in the British industrial revolution (1750-1850) by population, agriculture, proto-industry, transport, finance, technology, and trade; and the effect of industrialisation on measures of welfare and the impact of the system of welfare provision on industrialisation;
- the nature and extent of British economic decline, and the role played in the British economy by capital exports, entrepreneurship, education and technology from 1850 to 1914;
- the nature and causes of cyclical slumps and economic recovery between 1918 and 1939, and the role played by policy regimes and institutional change.

Lecture Courses

There are three lecture courses, each dealing with a different episode in British economic history (numbers of lectures in brackets):

British Industrial Revolution (Prof S Ogilvie, 8 lectures, weeks 1-4; Dr SH Horrell, 8 lectures weeks 5-8, Michaelmas Term)

These lectures look at the nature and possible causes of the Industrial Revolution and cover topics such as population growth, agricultural development, proto-industrialisation, developments in commerce, transport, the financial system and technology, trade, the poor law, and the effect of industrialisation on living standards.

British Economic History 1850-1914 (Dr SH Horrell, 12 lectures, weeks 1-4, Lent Term)

During the late Victorian period Britain, it is argued, lost the lead it had gained by being the first country to industrialise. These lectures examine the nature and extent of the decline and then investigate the alleged causes for the poor performance, for example, the effects of high capital exports on investment in domestic industry, and failing entrepreneurship caused by complacent attitudes and inadequate education which manifested itself in a failure to adopt the most efficient technologies in staple industries or to develop the science-based industries important to future growth.

British Interwar Economic History (Dr SH Horrell, 4 lectures, weeks 5-8; Dr SN Solomou, 8 lectures, weeks 5-8, Lent Term)

The interwar period is an interesting epoch for the study of issues such as economic growth, the impact of shifting policy regimes and institutional change. The themes covered in the lectures include

unemployment, explanations of the cyclical slumps of 1920-1 and 1929-32, the nature of the economic recovery 1932-7, and policy issues such as the return to gold and the General Tariff.

Recommended Reading

R. Floud and P. Johnson (eds.), *The Cambridge Economic History of Modern Britain* vols. 1 & 2 (2004)
E.A. Wrigley, *Energy and the English Industrial Revolution* (2010)
P. Mathias, *The Industrial Nation* (1983)
S. Pollard, *Britains's Prime and Britain's Decline* (1989)
S. N. Broadberry, *The British Economy between the Wars* (1986)
S. N. Solomou, *Themes in Macroeconomic History* (1996)

Supervisions

Suggested supervision assignments will be posted on the course website at the beginning of term. Supervisions are organized by your Director of Studies.

Examination

The examination paper consists of 10 questions. The students are asked to answer 4 of these. Past exam papers can be obtained from the faculty website:
<http://www.econ.cam.ac.uk/intranet/exams/index.html>

Sample Examination Questions

1. The term 'industrial revolution' is justified by the rapid structural change observed during 1780-1820, but cannot be taken to imply a widespread, rapid growth in per capita output or productivity. Explain and discuss.
2. 'Welfare gains imputed from male earnings may overstate actual improvements in the standard of living of the working classes between 1780 and 1850'. Discuss.
3. 'The British economy from 1870-1914 was not stagnating but growing as rapidly as permitted by the growth of its resources and the effective exploitation of the available technology.' Discuss.
4. 'Although high overseas investment benefited the British economy during the period from 1870 to 1913, in the long term it hastened relative economic decline.' Is this borne out by the evidence?
5. Compare and contrast the reasons for the persistence of high levels of unemployment in Britain in the 1920s and 1930s.
6. 'The nature of economic recovery in the 1930s was largely determined by changes in trade policy.' Discuss.