



EC/IB 441 SPAIN'S ECONOMIC DEVELOPMENT AND THE EU
IES Abroad Madrid

DESCRIPTION: The Spanish economy has undertaken a profound process of modernization during the last decades, and its gradual integration in the EU has been one of the main driving forces of that process. This course is aimed at analyzing the main recent developments of the Spanish economy, its process of growth and convergence with the core European economies and the main structural problems that the Spanish economy has still to face in the future. Special reference will be made to the current crisis, the consequences of the European Monetary Union for the peripheral European countries and the debate about the economic policy options to overcome the crisis.

CREDITS: 3 credits

CONTACT HOURS: 45 hours

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: Macroeconomics

METHOD OF PRESENTATION:

- Lectures: overview of the course content, main historical facts, main theoretical interpretations.
- Reader: selection of the key readings to be done before each lecture.
- Paper writing: critical paper on specific topic (8 to 10 pages).
- Student presentation: paper presentation in class.
- Debate: discussion in class on controversial EU issues.
- Data analysis: Analyze economic data in class and reach some conclusions.

REQUIRED WORK AND FORM OF ASSESSMENT:

- Research paper and presentation (30%)
- Mid-term exam (30%)
- Final Exam (30%)
- Class participation (10%)

The research paper is to be written in pairs and submitted on the day of its presentation (20 minutes). The topic of the paper should be agreed with instructor during the first two weeks of the course. All information should be scrupulously quoted.

LEARNING OUTCOMES:

By the end of the course students will be able to:

- recognize the several phases of Spanish long-term process of economic convergence with Europe;
- analyze the creation of Europe's post-war international institutional architecture;
- criticize the structure and functioning of the European Union by studying the most important theories with regard to European integration, the EU institutions and decision-making procedures and the involvement of national governments in the EU's policy process.
- identify the economic effects of EU membership in Spain;
- analyze the main problems of the Spanish economy in the last decades, the causes and consequences of the current economic crisis, and the economic policies in the context of the European Monetary Union;
- examine issues such as the common market, agricultural regimes and optimal currency areas which are particularly relevant for EU recent development.

ATTENDANCE POLICY:

Attendance is mandatory for all IES Abroad classes, including course-related trips. Any exams, tests, presentations, or other work missed due to student absences can only be rescheduled in cases of documented medical or family emergencies. If a student misses

more than three classes in any course 3 percentage points will be deducted from the final grade for every additional absence. Seven absences in any course will result in a failing grade.

CONTENT:

Session	Content	Readings
Session 1	Introduction: Overview of the course	
Session 2	Spanish Economic development from an European perspective: A long term approach, 1850-2010	
Session 3	European economy in the 1 st half of the 20 th century: The Gold Standard and the consequences of WWI	Eichengreen, B (2008), The Gold Standard, in Eichengreen, B. Globalizing Capital, Princeton UP, pp. 6-42.
Session 4	European economy in the 1 st half of the 20 th century: From the Great Depression to Bretton Woods	Eichengreen, B (2008), The Bretton Woods System, in Eichengreen, B. Globalizing Capital, Princeton UP, pp. 91-133.
Session 5	The modernization of Spanish economy (1900-1936): The Civil War and the Autarky period.	Prados de la Escosura, Leandro and Sanz, Jorge C. (1996), "Growth and Macroeconomic Performance in Spain, 1939-93", in Crafts, Nicholas and Toniolo, Gianni (eds.), Economic Growth in Europe since 1945, Cambridge, Cambridge University Press, pp. 354-369.
Session 6	The Golden Age of European economic development: 1950-1973. The way to the Treaty of Rome	- Damsgaard Hansen, E. (2001), Prolongued Growth 1950-73, in Damsgaard, E., European Economic History, Copenhagen Business School Press, pp. 313-329 - Jones, Robert A. (1997), The origins and development of the European Union, in Jones, R.A., The Politics and Economics of the European Union, Edward Elgar, Cheltenham, pp. 3-31
Session 7	The crisis of the 70's in Europe	Damsgaard Hansen, E. (2001), The Return to Normality 1973, in Damsgaard, E., European Economic History, Copenhagen Business School Press, pp. 431-450.
Session 8	Spain during the development years (1959-1973): The structural problems of the Spanish economy.	Harrison (1985), The Spanish economy in the twentieth century, pp. 144-163.
Session 9	Political transition and economic crisis in Spain, 1973-1985.	Harrison (1985), The Spanish economy in the twentieth century, pp. 168-186.
Session 10	Presentations of research papers.	
Session 11	The Spanish integration agreement: Advantages and costs of EU membership	Tovias, Alfred (1995), "Spain in the European Community", in Gillespie, Richard; Rodrigo,

		Fernando and Story, Jonathan (eds.), Democratic Spain, Reshaping External Relations in a Changing World, London, Routledge, pp. 88-105. Balmaseda, M. and Sebastián, M. (2003), Spain in the EU: Fifteen years may not be enough, in Royo, S. and Manuel, P.C. (eds.), Spain and Portugal in the European Union. The first fifteen years, Frank Cass, London, pp. 195-230.
Session 12	The EU institutions and policies: The problems of enlargement	Bomberg, E.; Cram, L.; Martin, D. (2003), The Eu Institutions, in Bomberg, E. and Stubb, A. (eds.), The European Union: How does it work? Oxford UP., pp. 45-70
Session 13	Presentations of research papers. Potential topics: comparisons between the Spanish and other integration processes.	
Session 14	The European Monetary System.	Conthe, Manuel (1997), "Spain and the Euro", in Muns, Joaquim (ed.), Spain and the Euro: Risks and Opportunities, Barcelona, LaCaixa, pp. 83-115.
Session 15	Mid-term exam	
Session 16	EU's and Spain's economic performance in the 90's and 00's.	
Session 17	The crisis of 2008.	Akerlof, R. and Schiller (2009), The current financial crisis: What is to be done? In Animal Spirits, pp. 86-96
Session 18	The crisis of 2008: The housing boom and the financial deregulation.	Bernardos, Gonzalo (2009), The Rise and Fall of the First Global Real Estate Bubble, Paradigmes, issue n.2, June 2009, pp. 99-106. http://www.raco.cat/index.php/Paradigmes/article/viewFile/223810/304675
Session 19	Presentations of research papers.	
Session 20	The crisis in Europe: The problems of adjustment with a single currency	Krugman, Paul (2011), Can Europe be saved?, The New York Times, January 16, 2011. http://www.nytimes.com/2011/01/16/magazine/16Europe-t.html?_r=1&scp=1&sq=can%20europe%20be%20saved&st=cse
Session 21	The crisis in Europe: Peripheral vs central countries	
Session 22	The debate between expansive and restrictive economic policies: Europe, the US and UK policies.	

Session 23	Presentations of research papers.	
Session 24	The way out of the crisis. The economic science and the crisis	- Krugman (2009), How did economists get it so wrong?, The New York Times, September 6, 2009. http://www.nytimes.com/2009/09/06/magazine/06Economic-t.html?scp=1&sq=how%20did%20economists%20get%20so%20wrong&st=cse - Cardoso, José Luís (2009), The crisis and the adaptive discourse of economists. Contribution to the 1st Next Future Research Workshop on "Responses to the Crisis", Calouste Gulbenkian Foundation, 12-13 November, 2009. http://www.proximofuturo.gulbenkian.pt/pdf/Eng-PF-3_JLCardoso_workshop-Gulbenkian.pdf

FINAL EXAM

REQUIRED READINGS:

- Akerlof, R. and Schiller (2009), The current financial crisis: What is to be done? In *Animal Spirits*, pp. 86-96
- Balmaseda, M. and Sebastián, M. (2003), Spain in the EU: Fifteen years may not be enough, in Royo, S. and Manuel, P.C. (eds.), *Spain and Portugal in the European Union. The first fifteen years*, Frank Cass, London, pp. 195-230.
- Bernardos, Gonzalo (2009), The Rise and Fall of the First Global Real Estate Bubble, *Paradigmes*, issue n.2, June 2009, pp. 99-106. <http://www.raco.cat/index.php/Paradigmes/article/viewFile/223810/304675>
- Bomberg, E.; Cram, L.; Martin, D. (2003), The Eu Institutions, in Bomberg, E. and Stubb, A. (eds.), *The European Union: How does it work?* Oxford UP., pp. 45-70.
- Cardoso, José Luís (2009), The crisis and the adaptive discourse of economists. Contribution to the 1st Next Future Research Workshop on "Responses to the Crisis", Calouste Gulbenkian Foundation, 12-13 November, 2009. http://www.proximofuturo.gulbenkian.pt/pdf/Eng-PF-3_JLCardoso_workshop-Gulbenkian.pdf
- Conthe, Manuel (1997), "Spain and the Euro", in Muns, Joaquim (ed.), *Spain and the Euro: Risks and Opportunities*, Barcelona, LaCaixa, pp. 83-115.
- Damsgaard Hansen, E. (2001), Prolongued Growth 1950-73, in Damsgaard, E., *European Economic History*, Copenhagen Business School Press, pp. 313-329, 435-450.
- Eichengreen, B (2008), The Gold Standard, in Eichengreen, B. *Globalizing Capital*, Princeton UP, pp. 6-42, 91-133.
- Harrison (1985), The Spanish economy in the twentieth century, pp. 144-163, 168-186.
- Jones, Robert A. (1997), The origins and development of the European Union, in Jones, R.A., *The Politics and Economics of the European Union*, Edward Elgar, Cheltenham, pp. 3-31.
- Krugman (2009), How did economists get it so wrong? The New York Times, September 6, 2009. <http://www.nytimes.com/2009/09/06/magazine/06Economic-t.html?scp=1&sq=how%20did%20economists%20get%20so%20wrong&st=cse>
- Krugman, Paul (2011), Can Europe be saved?, The New York Times, January 16, 2011. http://www.nytimes.com/2011/01/16/magazine/16Europe-t.html?_r=1&scp=1&sq=can%20europe%20be%20saved&st=cse
- Prados de la Escosura, Leandro and Sanz, Jorge C. (1996), "Growth and Macroeconomic Performance in Spain, 1939-93", in Crafts, Nicholas and Toniolo, Gianni (eds.), *Economic Growth in Europe since 1945*, Cambridge, Cambridge University Press, pp. 355-387.
- Tovias, Alfred (1995), "Spain in the European Community", in Gillespie, Richard; Rodrigo, Fernando and Story, Jonathan (eds.), *Democratic Spain, Reshaping External Relations in a Changing World*, London, Routledge, pp. 88-105.

RECOMMENDED READINGS:

- Crespo MacLennan, Julio (2000), *Spain and the Process of European Integration, 1957-82*, New York, Palgrave, pp. 150-179.
- Farrell, Mary (2001), *Spain in the EU. The Road to Economic Convergence*, New York, Palgrave, pp. 1-6, 28-45 and 79-87.
- Guirao, Fernando (1998), *Spain and the Reconstruction of Western Europe, 1945-57*, London, MacMillan, pp. 189-206.
- Henig, Stanley (1997), *The Uniting of Europe. From Discord to Concord*, London, Routledge.
- Morewood, Steven (1999), "Europe at the Crossroads 1974-2000", in Aldcroft, Derek H. and Sutcliffe, Anthony (eds.), *Europe in the International Economy 1500 to 2000*, Cheltenham, Edward Elgar.
- OECD Economic Surveys: Spain 2003, pp. 21-47.
- Penketh, Keith (1999), "The Budget of the European Union", in McDonald, Frank and Dearden, Stephen (eds.), *European Economic Integration*, New York, Longman, pp. 117-127.
- Prados de la Escosura, Leandro and Sanz, Jorge C. (1996), "Growth and Macroeconomic Performance in Spain, 1939-93", in Crafts, Nicholas and Toniolo, Gianni (eds.), *Economic Growth in Europe since 1945*, Cambridge, Cambridge University Press, pp. 361-375.
- Preston, Christopher (1997), *Enlargement and Integration in the European Union*, London, Routledge, pp. 67-86.
- Tortella, Gabriel (1994), "Patterns of Economic Retardation and Recovery in South-Western Europe in the Nineteenth and Twentieth Centuries", *Economic History Review*, 47, 1, pp. 1-21.