
EC/IB441 SPAIN ´S ECONOMIC DEVELOPMENT AND THE EU
IES Barcelona Syllabus – Last updated: May 22th, 2008

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 impact of the EU membership on Spanish economy and institutions and also to the future prospects of economic transformation in the context of an enlarged EU. (3 credits)

PREREQUISITE: Macroeconomics.

INSTRUCTOR: Marc Prat

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.
- Film viewing: Bill Wilder´s “One, two, three” for understanding Cold War period in Europe and Errol Morris’ “The fog of war” about the former US Secretary of Defense Robert McNamara.
- Data analysis: Analyze economic data in class and reach some conclusions.

LANGUAGE OF PRESENTATION: English

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 by two student’s teams 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.

IES ATTENDANCE POLICY: Attendance is mandatory for all IES classes, including field studies. Students are permitted 3 absences in IES area studies courses and 5 absences in IES Spanish language courses with no impact on the final grade. These include absences due to illness, delayed flights, interviews, family celebrations, or any other personal commitments. Beyond these absences, one half of a letter grade will be deducted from the final grade for each additional absence. If a student is absent more than 7 times for area studies courses or 10 times for language courses, the student will receive an F for the course.

LEARNING OUTCOMES: By the end of the course, students are 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;
- examine issues such as the common market, agricultural regimes and optimal currency areas which are particularly relevant for EU recent development.

CONTENT:

Session 1: Overview of the course

Session 2: The Spanish economic development from a comparative perspective: a long term approach (1850-2000).

Required readings:

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. 355-361.

Session 3: The Spanish Civil War: the end of economic convergence.

Required readings:

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. 361-362.

Session 4: The early stages of the process of European integration

Required readings:

Sutcliffe, Anthony (1996), *An Economic and Social History of Western Europe since 1945*, London, Longman, pp. 103-118.

Session 5: Film viewing. *"One two,three"* by Billy Wilder.

Session 6: The autarkic period of Spanish economy, 1939-1959

Required readings:

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. 363-369.

Session 7: Institutions and economic development of the EU until the Spanish accession, 1957-1986

Required readings:

McCormick, John (2002), *Understanding the European Union*, New York, Palgrave, pp. 68-76.

Session 8: Spain during the "development years", 1959-1974.

Required readings:

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. 369-372.

Session 9: Political transition and economic crisis in Spain, 1973-1985.

Required readings:

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. 372-375.

Session 10: **Presentations of research papers.**

Potential topics: comparisons between the Spanish and the core European economies at different points of time (1957, 1973, 1985).

Session 11: The integration agreement: EU common policies and the change of the Spanish institutions.

Required readings:

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.

Session 12: The general impact of entering the EU (I).

Required readings:

Martín, Carmela. "Growth and Structural Changes," Chapter 1 in *The Spanish economy in the new Europe*. MacMillan. 2000. Pp. 9-22.

Session 13: **Presentations of research papers.**

Potential topics: comparisons between the Spanish and other integration processes.

Session 14: Main changes in the EU between 1992 and 2006.

Required readings:

McCormick, John (2002), *Understanding the European Union*, New York, Palgrave, pp. 76-82.

Session 15: **Midterm Exam**

Session 16: The Spanish economy since 1992. Determinants of productivity growth.

Required readings:

Salmon, Keith (2001), "The Spanish Economy: from the Single Market to EMU", in Gillespie, Richard and Youngs, Richard (eds.), *Spain: the European and International Challenges*, London, Frank Cass, pp. 17-27 and 34-39.

Session 17: Film viewing: "The fog of war" by Errol Morris.

Session 18: Debate about "The fog of war" by Errol Morris.

Session 19: **Presentations of research papers.**

Potential topics: unemployment, inflation, budget deficit and external deficit in contemporary Spain.

Session 20: The fiscal balance: common agricultural policy and cohesion funds.

Required readings:

Martín, Carmela (2000), *The Spanish Economy in the New Europe*, London, MacMillan, pp. 206-223.

Session 21: The EU Foreign Policy.

Session 22: Monetary aspects: from the SME to the Euro (I).

Required readings:

Conthe, Manuel (1997), "Spain and the Euro", in Muns, Joaquim (ed.), *Spain and the Euro: Risks and Opportunities*, Barcelona, LaCaixa, pp. 83-115.

Session 23: **Presentations of research papers.**

Potential topics: the EU policies (CAP, Competence, Foreign Policy).

Session 24: The global impact of the Spanish integration in the EU by 2006.

Required readings:

Martín, Carmela (2000), *The Spanish Economy in the New Europe*, London, MacMillan, pp. 242-252.

FINAL EXAM

REQUIRED READING:

- Conthe, Manuel (1997), "Spain and the Euro", in Muns, Joaquim (ed.), *Spain and the Euro: Risks and Opportunities*, Barcelona, LaCaixa, pp. 83-115.
- Martín, Carmela, *The Spanish economy in the new Europe*. MacMillan. 2000. pp. 9-22, 206-223 and 242-252.
- McCormick, John (2002), *Understanding the European Union*, New York, Palgrave, pp. 68-76 and 76-82.
- 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. 355-361.
- Salmon, Keith (2001), "The Spanish Economy: from the Single Market to EMU", in Gillespie, Richard and Youngs, Richard (eds.), *Spain: the European and International Challenges*, London, Frank Cass, pp. 17-27 and 34-39.
- Sutcliffe, Anthony (1996), *An Economic and Social History of Western Europe since 1945*, London, Longman, pp. 103-118.
- The Economist: "The wealth effect" (17 May 2001).
"Floating with an anchor" (27 January 2000)
- 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 READING:

- 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.