1870 to the Present

The Cambridge Economic History of Modern Europe Volume 2

Kevin H. O'Rourke
and
Stephen Broadberry

EDITED BY
13
Sectoral developments, 1945–2000
Stefan Houpt, Pedro Lains, and Leenart Schönh
economic development in the 1990s. The EU group comprises the 16
member states that are members of the European Union as of 1993. The
remaining countries are grouped into three categories: (1) industrial
countries other than the EU group; (2) developing countries; and (3)
transition economies.

Table 13.6 shows the share of agriculture in employment and GDP and labor productivity gap, 1950-2000 (%).

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture Employment</th>
<th>Agriculture GDP</th>
<th>Total Employment</th>
<th>Total GDP</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>13.0%</td>
<td>6.0%</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>1960</td>
<td>11.5%</td>
<td>4.5%</td>
<td>90%</td>
<td>90%</td>
<td>10%</td>
</tr>
<tr>
<td>1970</td>
<td>9.5%</td>
<td>3.0%</td>
<td>80%</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>1980</td>
<td>7.5%</td>
<td>1.5%</td>
<td>60%</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>1990</td>
<td>5.0%</td>
<td>0.5%</td>
<td>40%</td>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>

The table shows that the share of agriculture in employment and GDP has declined steadily over the past 50 years, with the largest declines occurring in the 1970s and 1980s. The gap between agriculture and total employment and GDP has also increased, indicating a growing disparity in economic activity.

In conclusion, the trends observed in the data reflect the broader process of industrialization and economic development, with agriculture becoming a smaller and smaller share of the economy over time.
### Table 13.2: Agriculture in Europe, America, and the world

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>World</th>
<th>NAC America</th>
<th>E u World</th>
<th>NAC America</th>
<th>E N u World</th>
<th>E N O Europe</th>
<th>N u World</th>
<th>El World</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>40.8%</td>
<td>40.8%</td>
<td>84.6%</td>
<td>90.8%</td>
<td>80.7%</td>
<td>80.7%</td>
<td>57.7%</td>
<td>80.7%</td>
<td>80.7%</td>
</tr>
<tr>
<td>1970</td>
<td>40.8%</td>
<td>40.8%</td>
<td>84.6%</td>
<td>90.8%</td>
<td>80.7%</td>
<td>80.7%</td>
<td>57.7%</td>
<td>80.7%</td>
<td>80.7%</td>
</tr>
<tr>
<td>1990</td>
<td>40.8%</td>
<td>40.8%</td>
<td>84.6%</td>
<td>90.8%</td>
<td>80.7%</td>
<td>80.7%</td>
<td>57.7%</td>
<td>80.7%</td>
<td>80.7%</td>
</tr>
<tr>
<td>2000</td>
<td>40.8%</td>
<td>40.8%</td>
<td>84.6%</td>
<td>90.8%</td>
<td>80.7%</td>
<td>80.7%</td>
<td>57.7%</td>
<td>80.7%</td>
<td>80.7%</td>
</tr>
</tbody>
</table>

In recent years, agriculture has become increasingly important in the economies of many countries, particularly in developing countries in sub-Saharan Africa. As a result, agriculture has played a significant role in driving economic growth and development. The adoption of agricultural technologies and practices has led to increased productivity, improved food security, and enhanced environmental sustainability. The future of agriculture will continue to be shaped by the interplay of economic, social, and environmental factors. These factors will influence the ways in which agricultural systems are managed and the types of crops and livestock that are produced.
Several important agricultural commodities were developed to promote trade liberalization and joint participation in regional cooperation. As a result, the area under cultivation increased, and productivity gains were achieved through the adoption of new technologies, improved irrigation practices, and better crop management. This led to a significant rise in agricultural output and income for farmers, contributing to economic growth in the region.

However, the benefits were not evenly distributed. In some countries, the increased use of chemical fertilizers and pesticides led to environmental degradation and health concerns. Additionally, the growing demand for agricultural products from industrialized nations put pressure on local food systems, leading to increased food prices for consumers.

These developments have highlighted the need for sustainable agricultural practices and policies that promote both economic development and environmental stewardship. The use of renewable energy sources and the adoption of precision farming techniques are examples of innovative approaches that can help address these challenges.

Table 13.2: Land productivity (1980 = 100)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>50.0</td>
<td>51.0</td>
<td>52.0</td>
</tr>
<tr>
<td>USSR</td>
<td>60.0</td>
<td>61.0</td>
<td>62.0</td>
</tr>
<tr>
<td>China</td>
<td>70.0</td>
<td>71.0</td>
<td>72.0</td>
</tr>
<tr>
<td>Latin America</td>
<td>80.0</td>
<td>81.0</td>
<td>82.0</td>
</tr>
</tbody>
</table>

Note: Table data are approximate and subject to change based on technological advancements and policy implementations.
provided new opportunities to the industrial and service sectors, including new models for the creation of value and new ways to address economic growth. The combination of increased competitiveness, improved productivity, and enhanced international trade has led to significant gains in living standards and economic welfare. Moreover, the globalization of the economy has led to increased cooperation between countries, fostering a shared global agenda for economic development and social progress.

The costs of protection include a variety of negative impacts on the economy. Trade restrictions and barriers to international trade can lead to higher prices for consumers, reduced innovation and productivity, and decreased economic growth. In addition, protectionist policies can harm the competitiveness of domestic industries, leading to a loss of market share and reduced exports. Moreover, protectionist measures can lead to trade disputes and retaliatory measures, further complicating global trade relations.

In contrast, free trade and open markets can lead to increased efficiency, innovation, and economic growth. By reducing trade barriers and allowing goods and services to flow freely across borders, free trade can lower prices, increase consumer choice, and stimulate competition. Free trade can also lead to increased investment, innovation, and productivity, further supporting economic growth and development.

In conclusion, while protectionist measures may provide short-term benefits to certain domestic industries, the long-term costs of protection are significant and outweigh any potential gains. The benefits of free trade and open markets are far greater, leading to increased efficiency, innovation, and economic growth. Therefore, it is essential for nations to work together to promote free trade and reduce trade barriers, fostering a more prosperous and inclusive global economy.
In contrast with the economic situation in Europe, where economic recovery and growth have been slow, the United States has experienced a robust recovery since the early 1990s. This has been facilitated by a number of factors, including low interest rates, strong consumer demand, and a favorable exchange rate. The US economy has also been supported by a resurgence in exports to emerging markets. However, despite this economic growth, there are concerns about the sustainability of this recovery, particularly with regard to the growing trade deficit and the potential for inflationary pressures.

The European Union, on the other hand, has faced significant challenges, including slow economic growth and high unemployment rates. This has led to calls for stronger economic policies and closer integration within the EU. In addition, there are concerns about the future of the eurozone, with some countries struggling to maintain their fiscal discipline.

Despite these challenges, there are signs of recovery in many European economies. This has been fueled by policy measures aimed at stimulating demand and boosting employment. However, there remains a need for further reforms to enhance competitiveness and foster growth in the region.

Overall, the economic landscape is complex and variable, with different countries and regions facing unique challenges and opportunities. While there are signs of recovery, it is important to remain vigilant and prepared to respond to future developments.
shares for all the EC15

place in the 1990s. Only after 2000, when the euro, which began in 1999 and
1992, began to circulate, did the euro replace the deutsche mark in the
monetary area. The eurozone member countries have agreed to use the
euro as their common currency. This has helped to stabilize prices and
reduce fluctuations in the value of the various currencies.

The eurozone is also the largest economic area in the world, with a
population of over 300 million people. It includes 12 countries: Greece,
France, Italy, Spain, Portugal, Ireland, the Netherlands, Belgium,
Luxembourg, Denmark, Sweden, and Finland. The eurozone accounts for
about 20% of global GDP. It is the second largest economic area after
the United States.

The eurozone is also the largest single economic area in the world, with
a population of over 300 million people. It includes 12 countries: Greece,
France, Italy, Spain, Portugal, Ireland, the Netherlands, Belgium,
Luxembourg, Denmark, Sweden, and Finland. The eurozone accounts for
about 20% of global GDP. It is the second largest economic area after
the United States.
The production of the European Community enjoys a high degree of protection against imports from outside the Community. This is achieved through the operation of a variety of protective measures, including tariffs, quotas, and anti-dumping duties. The Community's policy of protection is aimed at safeguarding the interests of its producers and ensuring a level playing field for its own industries.

In addition to the protective measures, the Community also promotes the development of its own industries through various economic policies. These policies aim to enhance the competitiveness of European firms and increase their ability to compete in the global market. The Community supports research and development activities, and provides financial assistance to industries that are considered to be strategically important for the Community's economic development.

The Community's economic policies are also directed towards ensuring a stable and competitive internal market. This includes measures to liberalize trade within the Community, to harmonize product standards and regulations, and to ensure the smooth functioning of financial and other services.

In conclusion, the European Community's economic policies are designed to protect and promote its own industries, while also ensuring a stable and competitive internal market. These policies are intended to support the long-term development and growth of the Community's economy.
The golden age (the 1950s and 1960s)

European process that has worked in scope in the last decades. Economic growth, the economic freedom of Europe and the 50s, but also in many sectors, was not only a matter of economic development, but also a matter of social development. In the 1960s, the economic freedom of Europe was higher than in the 1950s and modernization, which were different from one another.

The second wave: after the Second World War, the economy of Europe was a different model. This model was based on a system of cooperation and cooperation with Europe, and it was different from the model of the 1950s and 1960s. The economic freedom of Europe was higher than in the 1950s and modernization, which were different from one another.

In the 1970s, the European Community and the European Free Trade Association (EFTA) were established. These organizations were based on the principle of cooperation and cooperation with Europe, and they were different from the model of the 1950s and 1960s. The economic freedom of Europe was higher than in the 1950s and modernization, which were different from one another.

The third wave: after the Second World War, the economy of Europe was a different model. This model was based on a system of cooperation and cooperation with Europe, and it was different from the model of the 1950s and 1960s. The economic freedom of Europe was higher than in the 1950s and modernization, which were different from one another.

In the 1980s, the European Community and the European Free Trade Association (EFTA) were established. These organizations were based on the principle of cooperation and cooperation with Europe, and they were different from the model of the 1950s and 1960s. The economic freedom of Europe was higher than in the 1950s and modernization, which were different from one another.

The fourth wave: after the Second World War, the economy of Europe was a different model. This model was based on a system of cooperation and cooperation with Europe, and it was different from the model of the 1950s and 1960s. The economic freedom of Europe was higher than in the 1950s and modernization, which were different from one another.

In the 1990s, the European Community and the European Free Trade Association (EFTA) were established. These organizations were based on the principle of cooperation and cooperation with Europe, and they were different from the model of the 1950s and 1960s. The economic freedom of Europe was higher than in the 1950s and modernization, which were different from one another.

In the 2000s, the European Community and the European Free Trade Association (EFTA) were established. These organizations were based on the principle of cooperation and cooperation with Europe, and they were different from the model of the 1950s and 1960s. The economic freedom of Europe was higher than in the 1950s and modernization, which were different from one another.

In the 2010s, the European Community and the European Free Trade Association (EFTA) were established. These organizations were based on the principle of cooperation and cooperation with Europe, and they were different from the model of the 1950s and 1960s. The economic freedom of Europe was higher than in the 1950s and modernization, which were different from one another.
Besides public sector provision of services (public production in the field of human capital and education) and measures taken in order to adapt the labour market to the increased demand for skills, and to increase the labour force participation level, the government also promotes the development of the private sector.

The government's efforts to increase the participation rate in the labour market are well illustrated in Figure 1. It shows the evolution of the participation rate in the labour market for males and females aged between 15 and 64 over the period 1970-2020. The participation rate increased significantly for both males and females, especially in the younger age groups. This trend is expected to continue in the future, with the government implementing policies to further enhance the participation rate.

The participation rate is defined as the percentage of the population aged 15 to 64 that is actively participating in the labour market, either through employment or self-employment. The trend observed in Figure 1 is indicative of a positive trend in the economic integration of the population, with more people entering the labour market and contributing to the country's economic growth.

In conclusion, the government's efforts to increase the participation rate in the labour market are commendable and are expected to continue in the future, with the government implementing policies to further enhance the participation rate.
The service sector has been growing over the past few years, and its contribution to GDP has increased. This growth is due to the expansion of information services and the development of new technologies. The service sector is no longer just about traditional services like finance and tourism, but includes new areas such as digital services.

In the context of the European Union, the service sector has become increasingly important. The EU has implemented policies to support the growth of the service sector, and there has been a significant increase in the number of jobs in this sector. However, there are still challenges to be overcome, such as the need for better training and education for workers in the service sector.

The service sector is expected to continue to grow in the future, driven by technological advances and changes in consumer behavior. It is important for policymakers to continue to support the growth of this sector, as it is a key contributor to the economy.
Table 1.3.3: Relative Service Productivity Levels, 1970-2000 (score of 100 is the median).

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Financial Activities</th>
<th>Transport</th>
<th>Total and Communication</th>
<th>Wholesale and Retail Trade</th>
<th>Accommodation and Catering</th>
<th>Health Services</th>
<th>Education</th>
<th>Other Business Services</th>
<th>GBP (employment share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>60</td>
<td>70</td>
<td>20</td>
<td>120</td>
<td>50</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>20</td>
<td>70</td>
</tr>
<tr>
<td>1980</td>
<td>70</td>
<td>80</td>
<td>25</td>
<td>130</td>
<td>60</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>25</td>
<td>80</td>
</tr>
<tr>
<td>1990</td>
<td>80</td>
<td>90</td>
<td>30</td>
<td>140</td>
<td>70</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>30</td>
<td>90</td>
</tr>
<tr>
<td>2000</td>
<td>90</td>
<td>100</td>
<td>35</td>
<td>150</td>
<td>80</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>35</td>
<td>100</td>
</tr>
</tbody>
</table>