

# The scale of the post war golden age of economic growth enjoyed

[Economics](#)



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In your own words, outline the scale of the post war Golden Age of economic growth enjoyed by Western European nations. The Golden age of Economic growth occurred in the aftermath of World War two and continued until the mid 1970's and led to the 1970's recession. During this period of time the World economy expanded at never before seen levels, World output of manufactures quadrupled between 1950 and 1970 and at the same time trade in manufactures increased by 10 times the previous levels.

Since then historians and economists have been attempting to explain the reasons for this unprecedented growth. Throughout this essay I am going to focus on the analysis of two particular economic historians Hobsbawm and Crafts. After World War two had ended the previously powerful Europe laid in tatters, France and Germany were virtually destroyed and Britain was near financial ruin. America emerged from World War two as the Largest and most powerful economy in the world and as such decided to aid the recovery of Europe.

Clearly a strong Europe was better for America as a trading partner than a weak one. This resulted in America putting into effect the Marshall plan. It was a four year plan the began in April 1948 during this time America gave Europe \$13 billion of aid roughly 5% of America's GDP at the time. This clearly provided a much needed boost to a Europe that agriculture sector had been totally destroyed. Is this then the factor that enabled growth in western Europe.

It was clearly a factor that aided growth but could it have been as Crafts has suggested simply that Western Europe was playing ' Catch-up' with countries such as America. " This meant that growth had been below trend <https://assignbuster.com/the-scale-of-the-post-war-golden-age-of-economic-growth-enjoyed/>

and the opportunity existed for rapid growth by correcting policy errors and repairing damaged economies. " The U. S. A was virtually untouched by WW2 certainly much less than Europe and this enabled rapid growth, once Europe had emerged from WW2, it was able to share in a technology boost that America had previously experienced and ultimately gain such high growth very quickly.