



Lisbon School
of Economics
& Management
Universidade de Lisboa

EBH 23/24 (1st Term) – TUTORIAL 8

TASK 4b

Students should mark colleagues' answers (received in the email boxes) according to the TOPICS and GUIDELINES below.

Students should email me until 22 December (preferably before) the mark of their colleagues essays sent to them, justify their marking (a few lines will do) and

This exercise is meant to be helpful for the exam. The marking of the exam will follow the same method.

The marking part is worth 1/6 of this part. The lecturer's marking of the answers received is worth the rest (5/6 or 0.25).

I will upload the marks first, and only after 22 December the answers with my notes.

TOPICS

The data shows that nearly all the GDP growth of the 1960s (6.1% per annum) is explained by strong increases in labour productivity (5.9% per annum). This increase, in turn, can be explained by innovation, some of which is a consequence of war (but not reconstruction, whose effects on increase in labour productivity are null and had ended by 1960).

Thus, war-induced innovations mattered for growth. However, sustained innovation was possible in a context of high foreign demand. This was achieved by international institutions like the dollar standard and the GATT.

However, to achieve growth it was necessary that wage increases lagged productivity increases. This is difficult to achieve in a context of full-employment and of demand-side policies and institutions (like the welfare state), as the strong bargaining position of workers would result in high wages. Consequently, capital-owners would be less willing to invest. Despite this risk, as shown in the table, the rise of labour costs was less than half of the growth of labour productivity ($2.3 < 5.9$). As such, investment rates were high and productivity growth was high during the period.

The Economic Miracle is not explained by post-war reconstruction. War-induced technological advances were a factor, but without external favourable institutions and domestic social pacts moderating wages and dividends, growth was at risk.

MARKING GUIDELINES

The most important thing is to check if the text has an answer to the broad issue implied

Second, checking if the answer has an argument, showing that the author:
considers alternative answers, explanations or theories
uses (not simply mentions) the data to defend his/her argument

HOW TO MARK FOR 0.25

< 0.1 : no answer/lack of understanding of the broad issue (possible correct statements, facts, reasonings, or use of data are accounted for to distinguish 0 from 1)

> 0.1 < 0.2 : answers showing an understanding of the issue, but without considering alternatives (0.05) OR without using meaningfully the data (0.05)

> 0.2 : answers showing an understanding of the issue, considering alternatives AND without using meaningfully the data

Issues like lack of clarity, poor use of words, confusing sentences, rambling structure, and vagueness discount

Good Work,

Handwritten signature in black ink, appearing to be the initials 'ACM'.