

## A LEVEL ECONOMICS PREPARATION WORK

The world has recently gone through the biggest economic crisis in modern history, possibly of all time. The British economy experienced its worst recession for over 300 years.

The recent crisis, and other notable crises in economic history will inform much of the work that we do over the course of your A Level studies.

So, over the summer break, your task is to find out about four things and write a summary of the main facts and figures for each.

You will need to research:

- the great frost of 1709 (articles attached to bottom of this document)
- the great depression (1929 to 1933)
- the credit crunch (2008/9)
- the economic impact of Covid 19

You should write a short summary for each of these events. Focus on things like:

- how did it affect people's jobs?
- how did it affect the quality of life for people?
- how did it affect people's ability to buy/sell things?
- how did it affect families, businesses and the government?

General sources of information that you could use might include:

- The Financial Times
- The Economist
- Tutor 2u
- Wikipedia

Some specific articles that you should read include:

- [The Great Depression 1](#)
- [The Great Depression 2](#)
- [The Credit Crunch 1](#)
- [The Credit Crunch 2](#)
- [Economic impact of Covid 1](#)
- [Economic impact of Covid 2](#)

You should produce a two page summary of your research into these events. Roughly half of a page for each crisis. Do not copy and paste information - write your findings out in your own words. You should submit this task in the first lesson in September.

# The U.K. Has Suffered Its Worst Slump Since the Great Frost of 1709. Here's What Happened Back Then.

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[barrons.com/articles/u-k-is-headed-for-worst-recession-since-great-frost-of-1709-51588884310](https://www.barrons.com/articles/u-k-is-headed-for-worst-recession-since-great-frost-of-1709-51588884310)

May 7, 2020

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Historical data from the Bank of England suggests this is the U.K. economy's worst performance since the 1709 Great Frost, due to Covid-19. (Getty Images)

More than 300 years ago, trade in Europe ground to a halt because of Arctic weather that froze waterways and agricultural land. On Friday, the U.K.'s Office for National Statistics stepped back in time to say that gross domestic product fell by 9.9% in 2020.

Historical data from the Bank of England suggests this is the worst performance since the 1709 Great Frost, due to Covid-19.

Temperatures in London reached 10 degrees Fahrenheit, causing tree trunks to shatter and bells to break when rung. Weather forecasting had not yet been invented. There was no warning. Just like with Covid-19, the arrival of the Great Frost was sudden and brutal.

Trade routes froze, Paris was cut off from supplies for months—hungry citizens burned furniture to keep warm. Venetians took to ice skating on the city's famous canals. The River Thames and the port of Marseille also iced up. Food shortages ensued, and everything ground to a halt.

In a cruel twist, those lucky enough to have supplies of water, wine, and meat could not eat their provisions, which had frozen solid. It was the coldest winter in 500 years and caused an estimated 600,000 deaths in France.

In 2020, European economies are on ice again—though where 300 years ago people skated through cities, today people hide indoors, and have stockpiled sanitizer, and panic-bought toilet paper.

Today bells ring and trees stand tall, but the economy remains in the grip of a freeze as deep as the one more than 300 years ago.

# As UK faces its worst slump since the Great Frost of 1709, history shows our economy is no match for nature

[independent.co.uk/independentpremium/news-analysis/coronavirus-economic-slump-obs-forecast-great-frost-plague-a9467186.html](https://www.independent.co.uk/independentpremium/news-analysis/coronavirus-economic-slump-obs-forecast-great-frost-plague-a9467186.html)

19 April 2020

The likely global recession triggered by the novel coronavirus is part of a much older tradition

Sean O'Grady

Sunday 19 April 2020 17:21 BST

Comments



The Great Plague of 1665 forced businesses to close, but while the economic impact was severe it was not long-lasting (Hulton Archive/Getty)

When the Office for Budget Responsibility predicts national income will fall by some 35 per cent over just a few months, that is a truly historic slump. It is useful to place it in some perspective.

Assuming that the economy “bounces back” fairly robustly afterward the lockdown and growth returns – far from guaranteed – it would leave the British economy in 2020 overall about 13 per cent smaller than it was in 2019. That would still be the biggest annual fall in economic activity in centuries – since 1709 in fact.

That of course begs the question: What on Earth happened in 1709 to spiral the economy into dropping by about 15 per cent (though the further back you go, the hazier GDP estimates get). Well, it wasn't a war or one of the many pandemics – or plagues, as they were known then – that hit the world periodically.

It was, though, a natural disaster: the Great Frost or Great Winter of 1708-09. This was simply a prolonged and inexplicable burst of cold weather that so affected crops it wiped out much of the subsequent harvests. The Baltic froze, crops failed, thousands starved. It is said to have been the coldest winter in the past 500 years, and an extreme episode in a long era of global cooler weather. To this day the “Little Ice Age” of 1450 to 1800 is the subject of scientific interest, the more so because of what it might tell us about climate change.

However, the Britain of 1700 was a very different place. The reason why the Great Winter had such a drastic economic impact is that most of the British population of 6.2 million or so relied on agriculture and allied occupations for their livelihood. No crops meant nothing to eat or sell, and no income to buy anything, let alone save or invest. It was, of course, long before the welfare state or modern economics. There were no business support schemes and the starving unemployed, if they were lucky, would go to the local parish guardians to receive some dole, or “poor relief” - the universal credit of its day.

Even if they had the funds and the prudent instincts, stockpiling food was difficult when the only preservatives were sugar, salt and smoking. There was international trade and imports of food and drink, but these tended to be expensive. Tea, for example, was a luxury novelty, locked away by aristocrats in ornate silver caddies. Gin, on the other hand, was notoriously cheap and it was perfectly easy to get blind drunk for £3 (in today's money).

Earlier natural disasters – including pandemics – also hit the small farming-based economy hard. By the time of the “Year Without a Summer” (1816) the economy has diversified into industry and exports of manufactures. So the eruption of an volcano in what's now Indonesia that expelled so much dust it blotted out the sun across much of the world was less damaging than it might have been, with disaster confined to farming.

There are other horror stories behind the economic stats. The Black Death after 1347, with its 50 per cent plus mortality rates, and subsequent plagues of the 1360s had a commensurate and longer lasting and depressing effect on economic output (though wage rates for the surviving peasants boomed).

The Great Plague of 1665, centred then as now on London, finished off around 750,000 Britons, but the main impact was from closure of businesses during the confinement – early self-isolation and social distancing. The economic effects were severe, but not long-

lasting. Much the same goes for the flu pandemic of 1918-19, which was ameliorated by a short sharp boom after the Great War as pent up demand was released. The slump of 1920-21 – about 10 per cent of UK GDP came at the end of that brief upturn.

Every other recession or depression up to now has been effectively man-made, either through wars, financial and banking crashes, government mismanagement or spikes in commodity prices caused by wars or cartels. The brief deep depression of 2020 is part of a much older tradition, and, like the bush fires and of the freak climate events of recent years, a reminder that the force of nature can be greater than even the most sophisticated of societies.



# How the Great Frost of 1709 left England's economy in ruin

[theguardian.com/news/2020/dec/17/how-the-great-frost-of-1709-left-englands-economy-in-ruin](https://www.theguardian.com/news/2020/dec/17/how-the-great-frost-of-1709-left-englands-economy-in-ruin)

David Hambling

December 17, 2020



📷 A depiction of a frost fair on the Thames in London during the 17th century. Photograph: Print Collector/Getty Images

Three hundred years ago it was a three-month cold snap rather than disease that blighted the country

The pandemic is set to cause the biggest economic slump that Britain has seen for over 300 years: the last time it was caused by weather rather than disease, the apocalyptic winter of 1709 the French called *Le Grand Hiver* and the English the Great Frost.

The cold was intense. There were reports of flocks of birds frozen mid-air and plunging to the ground, other stories told of corpses impossible to move because they were frozen into their bedsheets. All across Europe rivers iced over, bringing commerce to a halt.

“The Thames now seems one solid rock of ice,” said one newspaper. This led to one of the largest frost fairs, with thousands of Londoners gathering to drink, skate and make merry on the novel open space. The merriment did not last though, as the freeze continued for far longer than previous cold snaps.

In England, the Great Frost lasted for three months, and when the thaw finally came it brought widespread flooding. This was a major catastrophe for a largely agricultural economy. The crops were ruined, grain prices soared sixfold and many communities were

faced with starvation. Per capita gross domestic product dropped by 23%, and did not fully recover for another 10 years, all from a single terrible winter.