
Introduction

A purpose of economic and social history is to explain how the world pattern of production and consumption has changed over time: in short, to contribute to an explanation of why some countries are rich while others are not.

To pursue this goal it is necessary to analyse how and why economic change occurs, and why the rate of change has differed at different times and in different places. Some scholars contribute to this in the traditional manner of historical research, through detailed studies of place or process. More and more, in economic history and also in historical sociology (Mennell, 1989), attempts are nowadays being made to synthesize these micro-histories into explanations of long-term economic change in large systems. This book examines important examples of these syntheses.

The scale at which the grand summaries have to be constructed requires that information be classified and aggregated. The relationships between these aggregates must then be structured in the form of models. These simplify reality; otherwise the mass of historical detail cannot be comprehended, the patterns discerned or causes identified.

In the models, aggregates are related in ways specified by theory, usually economic theory. This may be specific to narrowly defined problems in production, distribution or exchange, or applied more widely as in the theory of choice. The applied logic component of theory is seldom contentious but differences often arise over assumptions, over which aspects of an economy or society are important in a causal sense. Describing processes is less difficult than explaining why a process began.

Until relatively recently, the models most commonly relied on to

Cambridge University Press

978-0-521-55784-9 - Explaining Long-Term Economic Change

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provide both explanation of long-term change and a framework for detailed research were those of Karl Marx and Max Weber. As an abundant literature of exegesis, criticism and elaboration is devoted to the works of those scholars, Marxist and Weberian interpretations of history will only be touched on in this book.

The series of explanations reviewed in the following chapters are each built around an important determinant of long-term economic and social change. The discussion of each approach reviews its strengths and weaknesses, although the coverage is of course not exhaustive. Further, the models are not given equal space. Those in which economic analysis is most prominent are discussed more fully because of both their importance to the explanation of economic change and the need to provide adequate detail on their theoretical elements.

To meet the requirement of brevity, many major works are outlined here in a few sentences. Some lengthy debates are summarized in a few phrases. The process of condensation and abridgement has eliminated all of the caveats, qualifications and nuances that appear in the works selected for study and in the detailed commentaries published on them. For the guidance of those who wish to acquire a deeper understanding of the models, a readily accessible work of interpretation has sometimes been cited together with that of the seminal work. Bibliographies in these interpretations in turn provide an *entrée* into the literature surrounding the particular model, explanation or problem.

It is not possible in a work of distillation to cite the sources of every item of information, idea or interpretation without risking the citations exceeding the length of the text. Many of the points raised have passed into the common knowledge of economists, historians, and scholars in cognate disciplines. This makes attribution honorific rather than functional. The origins of ideas mentioned in the text will become readily apparent to the student reading more deeply on any of the topics. Some citations have been used as signposts for further reading and thus it would not be helpful to specify page numbers.

Social scientists typically aggregate their data to analyse change in large systems. By contrast, historians generally base their explanations on a detailed assessment of primary sources, which necessarily restricts the scope of the inquiry in time and place.

Cambridge University Press

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Accordingly, historians often look askance at theories of history, or even at explanations of long-term change. However, these explanations are really to be thought of as aggregations of the available micro-histories and, since these generalized explanations of the past affect people's understanding of the modern world, they are the most widely influential aspects of the discipline. They are not in principle at odds with works of deep scholarship; rather they aim to put them together to provide a context in which their significance can be understood.

People will in any case continue to construct and be influenced by a 'world view' that is partly based on their perception of the pattern of the past over wide areas and long periods. It is preferable that their view be informed by knowledge and tempered by caution concerning the problems of understanding long-term change. This book provides an introduction to a variety of models, theories or explanations dealing with long-term change, of varying degrees of plausibility, robustness and value. A proper acquaintance with these should reduce the chance that we will form our opinions on world history casually – as the unwitting prisoners of some unknown theoretician or philosopher.

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Models, theories and history

History on a simple view is the story of past events. More usefully defined, history is an inquiry, involving both evidence and explanation, or in the terminology of the sciences, data and theory. Without explanation, the other two elements of a historical presentation have little value; narration becomes chronicle and description antiquarianism.

Inquiries at different levels of detail require different methods. The conventional approach to explanation in what might be termed micro-history is to examine, assess and evaluate all the documents or other primary sources bearing on a problem, and from that evidence to construct a story of conditions, processes and causes. This method serves well for investigations of problems narrowly bounded in time and in space; but in order to explain change in the very long term and in large social units, a different approach is required. In studies of societies rather than individuals and of change extending over centuries rather than years or decades, reliance has necessarily to be placed on secondary sources; while to comprehend the wealth of information available and to provide plausible explanations for the changes observed, recourse must be had to the techniques offered by the social sciences, particularly the use of explicit theory and the construction of models.

The logical status of 'models' needs to be grasped. Within a model, the complexity of social experience is reduced to manageable proportions for analytical and explanatory purposes (McClelland, 1975). Models in the social sciences are intellectual constructs in which reality is simplified without significant distortion. This is achieved by categorizing data on the basis of some

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common property and then relating the categories by causal hypotheses. As the structure is based on the statistical regularities observed in the aggregate behaviour of large numbers of units, conclusions drawn from a model can be expressed only in terms of probabilistic tendency, not of certainty. This technique of selection, abstraction and aggregation permits the isolation of key variables and the analysis of causation. As such, it is appropriate to the study of economic change in large systems.

All models can be assessed in two ways: by asking whether their construction is logical and by testing their assumptions and conclusions against the reality which they purport to represent. However, scholars in their pursuit of realism can and do differ in their choices of initial conditions and in their assessments of what constitute valid and useful behavioural assumptions. At one extreme of opinion about behaviour, formalists assume that economic laws apply universally with respect to time and place, while at the other extreme, substantivists argue that each society must be studied wholly within the terms of its own structure and functioning. The appropriateness of either of these perspectives may be judged by reference to the nature of and constraints upon economic activity. These constraints depend in large part on the length of time encompassed by the study: the longer the period, the greater the probability that social restrictions will be modified or loosened to give wider scope for the so-called economic motives, particularly income or wealth maximization.

In conventional historical writing, models are seldom specified or even made explicit. Yet the necessary abstraction, the process of selection of items of evidence that is required by historical scholarship, presupposes the existence of at least some framework of inquiry, a world-view or paradigm – an ‘implicit body of intertwined theoretical and methodological belief that permits selection, evaluation, and criticism’ (Kuhn, 1970: 17). ‘Facts’ become historical facts only when invested with significance by some preconceived if highly generalized structure of explanation or philosophy of history (Carr, 1964). While accepting the need for accuracy and comprehensiveness, few historians would nowadays go on to accept the position of the nineteenth-century German scholar Ranke that ‘what actually happened’ can be independently established, with the interpretation of those happenings then becoming

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self-evident and unique. The arrangement of the data into a coherent, consistent explanation in other than a *post hoc ergo propter hoc* way requires behavioural assumptions derived from some theory of human conduct, however covert. These assumptions are often based on perceptions of ‘common sense’, and concealed in simple assertions of cause and effect.

In the analysis of long-term change in large systems, models structured on economic history have been found to be of singular relevance. Economic forces can in time act to overcome various social and political constraints. Further, as economics is characteristically concerned with the aggregate effect of individuals’ actions, rather than with the actions of an individual, it lends itself to the analysis of the operation of large systems. Moreover, in a study of long-term change, we need to look at changes in activities such as procreation, production, distribution and consumption – aspects of life that have been of overwhelming importance to most people throughout time. Economic theory in its assumptions, method and content has been developed precisely to analyse these activities.

Neoclassical economics, which is broadly consonant with micro-economics, offers a useful and generalizable theory of choice and allocation. This body of theory rests on two assumptions. The first is of rationality, that individuals can order preferences and will endeavour to act in their self-interest to choose more rather than less of a desirable commodity or service. This analysis of choice and allocation based on the assumption of rationality is *not* confined to market situations or market-dominated societies. A problem in military tactics or strategy for example, being one of choice and resource allocation, is also amenable to the analysis.

The assumption of rationality does not require that all members of a population at all times singlemindedly endeavour to maximize material gain. In dealing with problems at the scale of long-term change in large systems, economic theory can generally offer only first approximations, explanations of trend. Even a formal economic model contains an error term that allows for unspecified factors such as changing social and political constraints on choice, or socially determined objectives not associated with income maximization. The Hindu caste system is an extreme case of social and economic constraint, but even that is malleable, given time. More generally, over the long term and with large numbers, the aggregate

Cambridge University Press

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outcome of individuals' actions will tend to be *as if* wealth maximization had been the goal, although social and political structures not leading directly to this may nevertheless persist for long periods (Basu *et al.*, 1987; Olson, 1982). The second basic assumption of economic theory is that group behaviour has a central tendency: although individuals differ, their actions in aggregate can be conceived of as being normally distributed around a mean or average. Changes over time can be described and analysed in terms of the average, however much the actions of any single individual may differ from that norm. This assumption of the central tendency of large numbers does not deny that the behaviour of some individuals has been uniquely important in its apparent effect on the course of history. No theory can account for a Genghis Khan, a Peter the Great, or, as is usually mentioned in this context, the effect on Roman history of the shape of Cleopatra's nose! Chance in history must be recognized and the estimation of its importance must remain as a matter of judgement.

Even when non-economic forces are decisive, economic analysis can still contribute to historical understanding. It can isolate areas of a problem that call for analysis using techniques other than those of economic theory. With initial conditions specified, an economic model can indicate the expected outcome of change in given variables; and with the hypothetical outcome as a reference-point, deviations from it in the historical record can be identified and their explanations sought. Economic theory predicts, for example, that labour scarcity will lead to a rise in price of that factor of production and a shift in income distribution toward labour. This happened in Western Europe after the Black Death. However, when the outcome of labour scarcity was *not* gain to the peasants but the burdens of serfdom, as in the tenth century and in the sixteenth century in Eastern Europe, a different explanation must be sought. The analysis must be extended. The lords' effective monopoly of force out-weighed the importance conferred on the peasants by their scarcity in these particular cases (Brenner, 1985).

Nevertheless, while neoclassical economic theory is useful in explaining the allocation of goods, factors of production and services, and how change in one variable may affect others, it cannot explain the origin of change. Accordingly, economic

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models that are presented as explaining long-term or secular change have characteristically been based on changes in other factors – in resources, population, ideology or technology.

Technical change is fundamental to the most widely known explanation of historical change, that offered by Karl Marx. The Marxist formulation is less an example of the use of theory *in* history than an example of a theory *of* history, with consequent claims of comprehensiveness and inevitability. Baldly summarized, the model is that the historically continuous process of improvement in technology leads to tension between classes which are defined by their members' degree of control over the means of production. The development of new techniques means that the political and social 'superstructure' is no longer appropriate to the way goods and services can be produced. This tension is resolved by a revolution which establishes a new power structure in society appropriate to the new ways of production. Thus with the growth of trade and industry the feudal lords were obliged to give way to the capitalists (bourgeoisie). They in their turn are to be overthrown by the workers (proletariat), a propertyless class created by the activities of the capitalists themselves. The accumulation of capital in Marx's model impoverishes all but a few, while the proletariat is drilled and disciplined as a revolutionary army by the repetitious work and regimented regime in the capitalists' factories.

The Marxist model can be rejected for many reasons: theoretical, historical (Conway, 1987) and political. The nature and inevitability of the historical process and its outcome in the Marxist schema are unacceptable to the historians who emphasize both the contingent in history and the problems of defining operationally a number of concepts central to the model, such as 'class'. It is argued that stages of 'feudalism' and 'capitalism' can be found universally only by the most strained interpretations of the historical record. Moreover, the Marxist theory is perceived as having failed to predict the direction of historical development, let alone its timing. Politically, many see the culmination of Marxist dialectic not in universal freedom and prosperity with a withering away of the coercive state as predicted by Marx, but in an oppressive and grossly inefficient state capitalism and stagnation in industrial societies, and in a grinding and persisting poverty in areas of the less developed world.

Cambridge University Press

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Accordingly, many scholars have turned their minds away from the insights offered in Marx's method and writings, to concentrate in the more conventional way on historical problems specific to place and time. Unfortunately, in so doing they ignore the great issue in historical studies: how to put the pieces together, the necessary prelude to explaining why the world is as it is. However, a few have offered alternative theories of history. Rostow's formulation is one of these, explicitly 'a non-communist manifesto' (Rostow, 1960).

Rostow's theory of history is one of successive stages of development, identified largely but not entirely by economic criteria, the decisive stage being that in which there is a relatively rapid 'take-off' into self-sustained economic growth. This stages theory enjoyed considerable popularity amongst economists and others impressed with its apparent rigour, even though its conceptual and empirical foundations were the subjects of immediate and sustained critical controversy (Rostow, 1964). The central concept of the 'take-off' was, however, less misleading in analysis than in its rhetorically implicit promise to poor countries of a brief and imminent twenty-year take-off period.

A close analysis of Rostow's model offers little cause for euphoria. If the three stages between the 'traditional society' and the 'age of high mass consumption' are considered – preconditions, take-off and drive to maturity – about a century would pass before a poor society could expect to enjoy the fruits of development. Further, this assumes contrary to fact that undeveloped countries in the modern world are at the institutional and material level that characterized Britain in the eighteenth century, the place and time of the first 'take-off'. While in the 1960s a conscious conflation of conditions in pre-industrial Britain and third world countries may have seemed to make Industrial Revolution studies more relevant to the problems of development (Deane, 1965), it was already being urged that nations in Europe had developed and logically must have developed in different ways at different times. The reason for the different patterns of development was the differing degrees of economic backwardness in some states relative to those that had already industrialized (Gerschenkron, 1962).

These formulations and the models discussed in the following chapters are based on the belief that the events of history can be

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seen as patterns which may be analysed partly or largely in terms of the behaviour of human groups engaged in the processes of production, distribution and consumption. On this foundation, the models offer explanations of how things came to be as they are. They provide insights that can in turn provide a better understanding of conditions in the present. From that understanding purposeful policies may be developed.

Insights into the process of change in the past can also inform judgements about the likely course of events in the future. Of course prediction, in the sense of precise description of future events, is not possible. However, forecasting is. As part of daily life, every individual is constantly engaged in forecasting, that is to say, in making probabilistic guesses about some aspect of future events. The more the guesses are informed by a knowledge of why things are as they are and what forces tend to bring about changes, the more accurate are the guesses likely to be. A necessary element of that knowledge is an understanding of how and why events occurred in the past.

Just as an individual relies largely on memory for purposive action, so a society must rely on history, its collective memory. This is well understood by totalitarian regimes. Application of the maxim, 'who controls the past controls the future: who controls the present controls the past' (Orwell, 1954: 31) has unfortunately not been confined to fiction. Szporluk (1986) writes of official control of history in the USSR in this century. In China, two thousand years ago, among the steps taken by the first emperor to unify the states he had conquered was the destruction of their written histories, the written memory of their separate identities.

What follows, then, is a review of a number of models that have been offered to answer the question of compelling importance in the study of both history and economics: why some societies increased their material welfare over time, while others did not.