



Leandro Prados de la Escosura, ed. *Exceptionalism and Industrialisation: Britain and Its European Rivals, 1688-1815*. Cambridge: Cambridge University Press, 2004. xv + 335 pp. No price listed (cloth), ISBN 978-0-521-79304-9.

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Published on H-HistGeog (December, 2004)

Europe's Industrialization Compared

This collection of essays, assembled to honor the distinguished career of Patrick O'Brien, began as a series of papers delivered at a March 2001 conference in Madrid. The volume brings together some of Europe's leading economic historians to address the enduring question of British exceptionalism in the period 1688-1815. It examines why during this period Britain emerged from comparative obscurity to "a discernible position of hegemony in the domains of naval power, empire, global commerce, agricultural efficiency, industrial production, fiscal capacity and advanced technology" (p. i). The contributors' stated intention is to produce a "textschrift" that will make these debates accessible to "a larger audience of university students and non-specialist readers," and in this respect they are at least partially successful (p. xv). Key arguments are sketched out clearly in a readable style that will appeal to a wide audience. The assembled papers provide a good overview of current scholarship in the field, and highlight the variety of approaches that have been used. At the same time contributors have been given some latitude to introduce original research, so the volume is also a platform for taking the debate forward, while the extensive bibliography will prove useful for those who wish to trace the development of this debate in greater detail.

The volume is organized into five parts, of which the first three examine the immediate determinants of British success, while the remaining two deal with institutional and geopolitical factors. Individual chapters explore familiar topics: overseas trade, agrarian change, industrial-

ization, technological innovation, monetary policy, taxation, and naval power, in each case assessing their contribution to British hegemony. This structure serves to emphasize both the interconnecting roles of economic, cultural, and institutional factors in Britain's emergence as the leading European power, and the deep roots of this dominance. Recognizing O'Brien's wide-ranging contribution to both British and European economic history the book adopts an unashamedly comparative approach. In most chapters developments in Britain are discussed alongside those in the main continental powers, notably France, Holland, and Spain, providing a refreshing contrast to the many single-country studies of industrialization and economic change that already exist. In general the contributors take a consistent line, and one that fits in with the broad views expressed by O'Brien in his many contributions to this field over the past thirty years, although inevitably each chapter seeks to emphasize the particular importance of different determinants of growth. This slight difference in emphasis does not, however, detract from the main theme to emerge from the work, namely the exceptional nature of Britain in the context of European industrialization: a theme with which Patrick O'Brien would certainly concur.

The two papers in part 1 of the book, "The Origins of British Primacy," set out the main aspects of British exceptionalism and introduce many of the themes developed in later chapters. In "Britain's Economic Ascendancy in a European Context," Robert Allen provides a useful checklist of key economic criteria which dis-

tinguished Britain from her continental rivals by the late-eighteenth century: a large non-agrarian sector; high wages and prices; rising GDP per capita; large-scale capitalist farming; widespread rural industrialization; and a highly urbanized population. He argues that proto-industrial activity and the state's role in promoting and protecting overseas trade provided the main impetus for urbanization and agrarian change, and hence for Britain's exceptional economic performance. While Allen concentrates on the internal economies of Britain and her rivals, the focus of Javier Cuenca Esteban's chapter is on comparative patterns of colonial trade. He assesses the contribution made by colonies to the economic performance of Britain and its principal rival France with the help of detailed statistical evidence, concluding that Britain derived larger net financial inflows from overseas trade since a substantial proportion of exports were sold to independent trade partners in Latin America and the United States. Furthermore, British colonial trade was spread relatively evenly between Asia, the Americas, and the Caribbean, whereas French transoceanic trade was dominated by a few locations, notably Saint-Domingue, and hence more vulnerable to disruption during war or civil unrest.

Part 2 addresses the connections between agriculture, trade, and industrialization, building on recent reassessments of labor productivity across Europe during the seventeenth and eighteenth centuries.[1] The two papers in this section take quite different approaches. Simpson marshals evidence from recent research into agrarian change in Britain and continental Europe in order to address the question of why productivity levels in British agriculture were consistently higher than the Western European average from the late-seventeenth century. He argues that there were greater incentives for investment in British agriculture between 1650 and 1750 due to the predominance of large capital-intensive farms, which could utilize factor inputs more efficiently than the small family farms of northwest Europe or the large estates of the Mediterranean region. The paper by Crafts and Harley, in contrast, uses computer modeling to explore the implications for factor endowments and productivity of a shift from small-scale family farming to capitalist agriculture. Data from their general equilibrium model suggest that the spread of large-scale, capitalist farming significantly increased productivity, released labor from agriculture and promoted industrialization. Adjusting the model for higher levels of technology and population growth also produced a shift in productivity towards industry, but the impact was much less signifi-

cant. The implications are that the early move into capitalist farming was the prime explanation for Britain's exceptional resource allocation.

A common thread running through the three chapters in Part 3 of the volume is the need to examine "Technological change" from a European-wide perspective.[2] Christine MacLeod, for instance, takes a critical view of Britain's supposed exceptional inventiveness, arguing that although some innovations were indigenous, in many cases British entrepreneurs were simply more successful at adapting and improving inventions originating elsewhere in Europe. Due to a fortuitous combination of circumstances British inventiveness was channeled into two areas, the mechanization of cotton textiles and coal, steam and iron technologies, which proved to be the cornerstones of the Industrial Revolution. The other chapters in this section provide case studies of these two industrial sectors. Building on O'Brien's analysis of innovation in the cotton textile industry, James Thomson offers a rather detailed exploration of the process of technological change in the sector using a distinctive narrative approach.[3] By tracing the sequence of inventions Thomson shows that some could be explained in terms of the industry's "critical scale of production and experience" (p. 143). Others, however, only proved commercially successful once a culture of invention had emerged, and a machine-making industry had been established. Rainer Fremdling's paper switches attention to the iron industry, addressing the question of why British hard-coal technology in smelting, refining, and processing iron was not widely adopted in continental Europe before the 1840s. He shows that producers in Britain had greater incentive to innovate due to the abundance of coal, scarcity and hence high cost of charcoal, and the rising duties imposed on imported iron. In contrast, charcoal-based techniques remained economically viable in most of continental Europe due to plentiful wood supplies, high tariff barriers and transport costs, and the perceived inferiority of coke-produced iron.

Part 4 of the book is the first section dealing with institutional and geopolitical factors, and concentrates on the roles played by financial and monetary institutions. In chapter 8, "The Monetary, Financial, and Political Architecture of Europe, 1648-1815," Larry Neal provides a clear overview of the contrasting monetary and fiscal regimes in Holland, Britain and France, and traces their evolution over the course of the long eighteenth century. He argues that institutional innovations that relied on private financial markets (Britain and Holland) proved superior to those based on government initiative

(France). The combination of large public debt and high taxation enabled Britain to withstand the demands of war finance over the eighteenth century more effectively than any other European country. These arguments are developed further in the contributions by Richard Bonney and Forrest Capie who focus respectively on financial and monetary issues. Bonney's lengthy comparative study of fiscal policy in Britain and France focuses primarily on the French system, arguing that the lack of parliamentary legitimacy hampered Bourbon attempts at reform, limiting their ability to borrow money or raise taxes. Capie uses estimates of monetary stocks in coin and banknote form to show that England had a well-established monetary economy and sophisticated financial system before the industrialization of the late-eighteenth century.

In the final part of the volume Daniel Baugh turns attention to the role of naval power in Britain's exceptional industrialization, asking whether British "blue water" policy was really worth the costs. He argues that the strategy of keeping ships constantly at sea gave Britain significant advantages over France whose trade suffered far more from wartime disruptions. The economic benefits of naval power outweighed the costs since it guaranteed the stability of overseas trade upon which the nation's economic advantage largely depended.

Looking at the book as a whole, most readers will be convinced by the overall argument that Britain's industrialization was exceptional in character and not a blueprint for other nations to follow (p. 2). Yet many will, no doubt, find some grounds to quibble with the framework employed and may have their own thematic preferences. Indeed, in the concluding chapter Engerman acknowledges that several important factors contributing to British pre-eminence fall outside the scope of the volume. He highlights, for instance, the need for more attention to the economic role of climate and resource endowment, and to the structure of British and continental society, citing such issues as religion, cultural values, consumption practices, and the power structures of elites (p. 282). It would be possible to go further and argue that the book also neglects other aspects of Britain's economic make-up which proved to be advantageous such as her well-developed transport network and efficient system of retailing and distribution. There might also have been more emphasis on the extensive regional differences both in Britain and elsewhere in Europe without necessarily reducing the clarity of the overall argument. Nevertheless, most readers will probably concur with the main conclusions to be drawn from the work, specifically the

importance of institutional determinants of change and the need to examine Britain's industrialization from an international perspective. Indeed, as Engerman notes, the purpose of the book is not to catalogue the full set of explanations that have been given for Britain's rise to economic, political, and military dominance. Rather it seeks to chart the transition from a focus on the role of "narrowly defined economic factors" to one that pays greater attention to the "cultural factors and social institutions" that provided the necessary conditions for economic growth (p.262). In these aims it is clearly successful.

Some may also disagree with the chronological limits imposed, and indeed many of the contributors acknowledge the earlier origins of Britain's institutional and economic advantages. For instance, Engerman makes a plea in his concluding comments for a more thorough evaluation of the implications of the Civil War (p. 282). Moreover, not all papers provide thorough coverage of the whole of the long-eighteenth century. In general greatest emphasis is placed on the period after 1770, often understandably due to the paucity of earlier evidence. This focus on the relatively short period leading up to and encompassing the Napoleonic wars does, however, make legitimate arguments for the early origins of Britain's dominance harder to sustain. Furthermore, although the book sets out to compare Britain's experience of industrialization with that of her continental rivals, not all of the papers are truly comparative. Both Thomson and Crafts and Harley base their analyses on British data, while Bonney concentrates largely on a survey of French financial policies. Indeed, where comparison is used it is often limited to these two countries. While such a focus makes sense given the growing rivalry between Britain and France during the century, greater attention might perhaps have been devoted to northern Europe, Russia, or the Mediterranean. Certainly Fremdling recognizes the importance of including Sweden and the German states in his study of European iron production and consumption. Closer examination of the agrarian systems and state institutions in these areas might also have provided valuable insights. Indeed, as a textbook the most effective papers are those that provide a genuine comparison between a range of countries for the entire long-eighteenth-century period.

Overall then how should the book be assessed? It certainly provides a clear and concise survey of current thoughts about British exceptionalism, and places developments here within a wider European context. The work is a fitting tribute to the many and varied contribu-

tions Patrick O'Brien has made to the economic history of Britain, Western Europe and beyond. Running through the papers are several clearly discernable themes that will be easily recognized by anyone familiar with O'Brien's work: the need for comparison, the value of quantification, and above all the importance of economic history as a bridge between historians and economists. Yet in a sense the book falls between two stools. It sets out to be both a tribute to O'Brien's work and a textbook on British exceptionalism, and in places these two aims sit together a little uneasily. Some chapters concentrate on summarizing the existing historiography, while others are used as a platform for presenting new interpretations or research. For instance, Crafts and Harley note that their general-equilibrium model is a modified version of one used in a previous paper. One consequence of this is that some of the chapters are more accessible than others: those by Allen, Simpson, and MacLeod in particular will appeal to the general reader. This need not necessarily be seen as a shortcoming since the papers can be read individually. However, this is clearly not a systematic survey of the literature, and the agenda of the contributors needs

to be recognized. Having said this, the book will certainly be a valuable addition to undergraduate reading lists and the bookshelves of academics alike, and should provide an important impetus for further research to fill the gaps in current scholarship that it identifies.

Notes

[1]. See for example, Robert C. Allen, "Economic Structure and Agricultural Productivity in Europe, 1300-1800," *European Review of Economic History* 4 (2000): pp. 1-25.

[2]. See Joel Mokyr, *The Gifts of Athena: Historical Origins of the Knowledge Economy* (Princeton University Press, 2002).

[3]. For a summary of O'Brien's ideas see Patrick K. O'Brien, Trevor Griffiths and David Hunt, "Technological Change During the First Industrial Revolution: The Paradigm Case of Textiles, 1688-1851" in *Technological Change: Methods and Themes in the History of Technology*, ed. R. Fox (Amsterdam: Harwood, 1996).

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Citation: Andrew Hann. Review of de la Escosura, Leandro Prados, ed., *Exceptionalism and Industrialisation: Britain and Its European Rivals, 1688-1815*. H-HistGeog, H-Net Reviews. December, 2004.

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