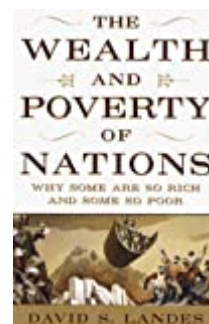


H-Net Reviews

in the Humanities & Social Sciences

David S. Landes. *The Wealth and Poverty of Nations: Why Are Some So Rich and Others So Poor.* New York: W.W. Norton & Company, 1998. 544 pp. \$30.00 (cloth), ISBN 978-0-393-04017-3.



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Published on EH.Net (April, 1998)

David Landes has studied the history of economic development for more than half a century. His look at economic imperialism and informal empire in nineteenth-century Egypt (Bankers and Pashas) tells the story of how small were the benefits (either for Egyptian economic development or for the long-run power and happiness of the ruling dynasty) bought at extremely high cost by borrowing from European bankers. His unsurpassed survey of technological change and its consequences in Europe since 1750 (*The Unbound Prometheus*) remains the most important must-read book for serious students of the industrial revolution. His study of clock-making as an instance of technological development (*Revolution in Time*) provides a detailed look at a small piece of the current of technological development. His works are critical points-of-reference for those who seek to understand the Industrial Revolution that has made our modern world.

Now David Landes turns to the grandest question of all: the causes of the (so far) divergent destinies and relative prosperity levels of different national economies. The title echoes Adam Smith, but Landes is interested in both the wealth and poverty of nations: Adam Smith lays out what went wrong as the background for his picture of how things can go right, while Landes is as interested in the roots of relative—and absolute—economic failure as of success.

He pulls no punches—of Columbus’s followers treatment of the inhabitants of the Caribbean, Landes writes that “nothing like this would be seen again until the Nazi Jew hunts and killer drives of World War II.” Landes makes no compromises with any current fashion. Readers will remember how columnist after columnist decried high-school history standards (which, truth be told, were not very good) that required students to learn about a fourteenth-century African prince, Mansa Musa, but not about Robert E. Lee; readers of Landes will find three pages on Mansa Musa, and none on Master Robert.

We are all multiculturalists now; or, rather, serious historians have long been multiculturalists.

Nevertheless, Landes’s economic history is a profoundly Eurocentric history. It is Europe-centered without apologies—rather with scorn for those who blind themselves to the fact that the history of the past 500 years is Europe-centered.

Now Landes does not think that all history should be Eurocentric. For example, he argues that a history of the world from 500 to 1500 should be primarily Islamocentric: the rise and spread of Islam was an “explosion of passion and commitment ... the most important feature of Eurasian history in what we may call the middle centuries.”

But a history oriented toward understanding the wealth and poverty of nations today must be Eurocentric. Goings-on in Europe and goings-on as people in other parts of the world tried to figure out how to deal with suddenly-expansionist Europeans make up the heart of the story of how some—largely western Europe and northwest Europe’s settler ex-colonies—have grown very, very rich.

Moreover, relative poverty in the world today is the result of failure on the part of political, religious, and mercantile elites elsewhere to pass the test (rigged very heavily against them) of maintaining or regaining independence from and assimilating the technologies demonstrated by the people from Europe—merchants, priests, and thugs with guns in the old days, and multinationals, international agencies, and people armed with cruise missiles in these new days—who have regularly appeared offshore in boats, often with non-friendly intent. To try to tell the story of attempted assimilation and attempted rejection without placing Europe at the pivot is to tell it as it really did *not* happen.

Thus Landes wages intellectual thermonuclear war on all who deny his central premise: that the history of the wealth and poverty of nations over the past millennium is the history of the creation in Europe and diffusion of our technologies of industrial production and sociological organization, and of the attempts of people elsewhere in the world to play hands largely dealt to them by the technological and geographical expansions originating in Europe.

He wins his intellectual battles—and not just because as author he can set up straw figures as his opponents. He wins because in the large (and usually in the small) he has stronger arguments than his intellectual adversaries, who believe that Chinese technology was equal to British until 1800, that had the British not appeared the royal workshops of Mughal India would have turned into the nucleus of an industrialized textile industry, that equatorial climates are as well-suited as mid-latitude climates to the kind of agriculture that can support an Industrial Revolution, that Britain’s industrial lead over France was a mere matter of chance and contingency, or any of a host of other things with which Landes does not agree.

Landes’s analysis stresses a host of factors—some geographical but most cultural, having to do with the fine workings of production, power, and prestige in the pre-industrial past—that gave Eurasian civilizations an edge in the speed of technological advance over non-Eurasian ones, that gave European civilizations an edge over Chi-

nese, Arabic, Indian, or Indonesian, that made it very likely that within Europe the breakthrough to industrialization would take place first in Britain.

And by and large it is these same factors that have made it so damnably difficult since the Industrial Revolution for people elsewhere to acquire the modern machine technologies and modes of social and economic organization found in the world economy’s industrial core.

Landes’s account of why Eurasian civilizations like Europe, Islam, and China had an edge in technological development over non-Eurasian (and southern Eurasian) civilizations rests heavily on climate: that it is impossible for human beings to live in any numbers in “temperate” climates before the invention of fire, housing, tanning, and sewing (and in the case of northern Europe iron tools to cut down trees), but that once the technological capability to live where it snows has been gained, the “temperate” climates allowed a higher material standard of living.

I am not sure about this part of his argument. It always seemed to me that what a pre-industrial society’s standard of living was depended much more on at what level of material want culture had set its Malthusian thermostat at which the population no longer grew. I have always been impressed by accounts of high population densities in at least some “tropical” civilizations: if they were so poor because the climate made hard work so difficult, why the (relatively) dense populations?

It seems to me that the argument that industrial civilization was inherently unlikely to arise in the tropics hinges on an—implicit—argument that some features of tropical climates kept the Malthusian thermostat set at a low standard of living, and that this low median standard of living retarded development. But it is not clear to me how this is supposed to have worked.

By contrast, I find Landes’s account of why Europe—rather than India, Islam, or China—to be very well laid out, and very convincing. But I find it incomplete. I agree that it looks as if Chinese civilization had a clear half-millennium as the world’s leader in technological innovation from 500 to 1000. Thereafter innovation in China appears to flag. Little seems to be done in developing further the high technologies like textiles, communication, precision metalworking (clock-making) that provided the technological base on which the Industrial Revolution rested.

It is far from clear to me why this was so. Appeals

to an inward turn supported by confident cultural arrogance under the Ming and Ch'ing that led to stagnation leave me puzzled. Between 1400 and 1800 we think that the population of China grew from 80 million to 300 million. That doesn't suggest an economy of malnourished peasants at the edge of biological subsistence. That doesn't suggest a civilization in which nothing new can be attempted. It suggests a civilization in which colonization of internal frontiers and improvements in agricultural technology are avidly pursued, and in which living standards are a considerable margin above socio-cultural subsistence to support the strong growth in populations.

Yet somehow China's technological lead—impressive in printing in the thirteenth century, impressive in shipbuilding in the fifteenth century, impressive in porcelain-making in the seventeenth century—turned into a significant technological deficit in those same centuries that China's pre-industrial population quadrupled.

Landes's handling of the story of England's apprenticeship and England's mastership—of why the Industrial Revolution took place in the northwest-most corner of Europe—is perhaps the best part of the book. He managed to weave all the varied strands from the Protestant Ethic to Magna Carta to the European love of mechanical mechanism for its own sake together in a way that many attempt, but few accomplish. Had I been Landes I would have placed more stress on politics: the peculiar tax system of Imperial Spain, the deleterious effect of rule by Habsburgs and Habsburg puppets on northern Italy since 1500 (and the deleterious effect of rule by Normans, Hohenstaufens, Valois, Aragonese, and Habsburgs on southern Italy since 1000), the flight of the mercantile population of Antwerp north into the swamp called Amsterdam once they were subjected to the tender mercies of the Duke of Alva, more on expulsions of Moriscos, Jews, and French Protestants (certainly the Revocation of the Edict of Nantes was an extraordinary shock to my seventeenth-century DeLong ancestors), the extraordinary tax burden levied on the Dutch mercantile economy by the cumulated debt of having had to spend from 1568 to 1714 fighting to achieve and preserve independence, and so forth.

I also would spend more time on Britain itself. I, at least, find myself wondering whether Britain's Industrial Revolution was a near-run thing—whether (as Adam Smith feared) the enormous burden of the Hanoverian fiscal-military state might not have nearly crushed the British economy like an egg. Part of the answer is given by John Brewer's *Sinews of Power*, a work of genius that

lays out the incredible (for the time) efficiency of Britain's eighteenth-century fiscal-military state. Most of the answer is the Industrial Revolution. And some of the answer is (as Jeffrey Williamson has argued) that the burden of the first British Empire did indeed significantly slow—but not stop—industrialization.

I don't know what I think of all the issues in the interaction of the first British Empire, the British state, and British industrialization. Thus I find myself somewhat frustrated when Landes quotes Stanley Engerman and Barbara Solow that "It would be hard to claim that [Britain's Caribbean Empire was] either necessary or sufficient for an Industrial Revolution, and equally hard to deny that [it] affected its magnitude and timing," and then says "That's about it." I want to know Landes's judgment about how much. Everything affects everything else, and when economic historians have an advantage over others it is because they know how to count things—and thus how to use arithmetic to make judgments of relative importance.

But the complaint that a book that tries to do world history in 600 pages leaves stuff out is the complaint of a true grinch.

So where does Landes's narrative take us?

If there is a single key to success—relative wealth—in Landes's narrative, it is openness. First, openness is a willingness to borrow whatever is useful from abroad whatever the price in terms of injured elite pride or harm to influential interests. One thinks of Francis Bacon writing around 1600 of how three inventions—the compass, gunpowder, and the printing press—had totally transformed everything, and that all three of these came to Europe from China. Second, openness is a willingness to trust your own eyes and the results of your own experiments, rather than relying primarily on old books or the pronouncements of powerful and established authorities.

European cultures had enough, but perhaps only barely enough. Suppose Philip II Habsburg "the Prudent King" of Spain and "Bloody" Mary I Tudor of England had together produced an heir to rule Spain, Italy, the Low Countries, and England: would Isaac Newton then have been burned at the stake like Giordano Bruno, and would the natural philosophers and mechanical innovators of seventeenth and eighteenth century England have found themselves under the scrutiny of the Inquisition? Neither Giordano Bruno, Jan Hus, nor Galileo Galilei found European culture in any sense "open."

If there is a second key, it lies in politics: a government strong enough to keep its servants from confiscating whatever they please, limited enough for individuals to be confident that the state is unlikely to suddenly put all they have at hazard, and willing once in a while to sacrifice official splendor and martial glory in order to give merchants and manufacturers an easier time making money.

In short, economic success requires a government that is, as people used to say, an executive committee for managing the affairs of the bourgeoisie—a government that is responsive to and concerned for the well-being of a business class, a class who have a strong and conscious interest in rapid economic growth. A government not beholden to those who have an interest in economic growth is likely to soon turn into nothing more than a redistribution-oriented protection racket, usually with a very short time horizon.

Landes writes his book as his contribution to the project of building utopia—of building a much richer and more equal world, without the extraordinary divergences between standards of living in Belgium and Bangladesh, Mozambique and Mexico, Jordan and Japan that we have today. Yet at its conclusion Landes becomes uncharacteristically diffident and unusually modest, claiming that: “the one lesson that emerges is the need to keep trying. No miracles. No perfection. No millennium. No apocalypse. We must cultivate a skeptical faith, avoid dogma, listen and watch well ...”

Such a change of tone sells the book short, for there are many additional lessons that emerge from Landes’s story of the wealth and poverty of nations. Here are five: (1) Try to make sure that your government is a government that enables innovation and production, rather than

a government that maintains power by massive redistributions of wealth from its friends to its enemies. (2) Hang your priests from the nearest lamp post if they try to get in the way of assimilating industrial technologies or forms of social and political organization. (3) Recognize that the task of a less-productive economy is to imitate rather than innovate, for there will be ample time for innovation after catching-up to the production standards of the industrial core. (4) Recognize that things change and that we need to change with them, so that the mere fact that a set of practices has been successful or comfortable in the past is not an argument for its maintenance into the future. (5) There is no reason to think that what is in the interest of today’s elite—whether a political, religious, or economic elite—is in the public interest, or even in the interest of the elite’s grandchildren.

It is indeed very hard to think about problems of economic development and convergence without knowing the story that Landes tells of how we got where we are today. His book is short enough to be readable, long enough to be comprehensive, analytical enough to teach lessons, opinionated enough to stimulate thought—and to make everyone angry at least once.

I know of no better place to start thinking about the wealth and poverty of nations.

[This review is a longer draft of a review subsequently published (at 1/3 the length) by the Washington Post.]

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Citation: J. Bradford De Long. Review of Landes, David S., *The Wealth and Poverty of Nations: Why Are Some So Rich and Others So Poor*. EH.Net, H-Net Reviews. April, 1998.

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