# Table of Contents

Preface xi  
Author Biography xiii

1. **Introduction: Economic History and the Global Economy** 1  
   - Development and Underdevelopment 4  
   - Growth, Development, and Progress 9  
   - Determinants of Economic Development 11  
   - Production and Productivity 13  
   - Economic Structure and Structural Change 14  
   - The Logistics of Economic Growth 16

2. **Economic Development in Ancient Times** 19  
   - How Cooperative Behavior Could Have Evolved 24  
   - The Rise of Agriculture 25  
   - The Neolithic Revolution and the Rise of Agriculture 25  
   - The Rise of Ancient Empires (5500 to 3000 BP) 27  
   - Mesopotamia 27  
   - Indus Valley 29  
   - Egypt 30  
   - The Rise of Greek City-States 33  
   - Empires Across Eurasia, 100 BCE to 1000 CE 38  
   - Rome 39  
   - China 43  
   - Economic Explanations of the Neolithic Revolution 45  
   - Game Theory Applied to the Evolution of Cooperation 46  
   - How to Measure Standards of Living by Measures of Height 47

3. **Economic Development in Medieval Eurasia** 49  
   - The Medieval Climatic Anomaly (Optimum) 49  
   - Varieties of European Agriculture 54  
   - Europe Expands 58  
   - The Revival of Urban Life 62
Commercial Currents and Techniques \hspace{1cm} 65
A Commercial Revolution \hspace{1cm} 69
Industrial Technology and the Origins of Mechanical Power \hspace{1cm} 71

4. Economic Response to the Medieval Crisis \hspace{1cm} 78

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe's Responses</td>
<td>78</td>
</tr>
<tr>
<td>The Rise of Islam</td>
<td>81</td>
</tr>
<tr>
<td>The Ottoman Empire</td>
<td>84</td>
</tr>
<tr>
<td>East Asia</td>
<td>86</td>
</tr>
<tr>
<td>The Indian Subcontinent</td>
<td>91</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>94</td>
</tr>
<tr>
<td>Africa</td>
<td>95</td>
</tr>
<tr>
<td>The Americas</td>
<td>96</td>
</tr>
<tr>
<td>World Parallels</td>
<td>99</td>
</tr>
</tbody>
</table>

5. Europe's Recovery and Discovery of the Rest of the World \hspace{1cm} 100

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population and Levels of Living</td>
<td>102</td>
</tr>
<tr>
<td>Exploration and Discovery</td>
<td>104</td>
</tr>
<tr>
<td>Overseas Expansion and the Feedback to Europe</td>
<td>110</td>
</tr>
<tr>
<td>The Price Revolution</td>
<td>112</td>
</tr>
<tr>
<td>Agricultural Technology and Productivity</td>
<td>113</td>
</tr>
<tr>
<td>Industrial Technology and Productivity</td>
<td>119</td>
</tr>
<tr>
<td>Trade and Trade Routes</td>
<td>126</td>
</tr>
<tr>
<td>Commercial Organization</td>
<td>130</td>
</tr>
</tbody>
</table>

6. Economic Nationalism and Imperialism \hspace{1cm} 135

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mercantilism: A Misnomer</td>
<td>135</td>
</tr>
<tr>
<td>The Common Elements</td>
<td>137</td>
</tr>
<tr>
<td>Spain and Spanish America</td>
<td>140</td>
</tr>
<tr>
<td>Portugal</td>
<td>146</td>
</tr>
<tr>
<td>Central, Eastern, and Northern Europe</td>
<td>148</td>
</tr>
<tr>
<td>Colbertism in France</td>
<td>154</td>
</tr>
<tr>
<td>The Prodigious Increase of the Netherlands</td>
<td>156</td>
</tr>
<tr>
<td>Constitutional Monarchy in Britain</td>
<td>160</td>
</tr>
</tbody>
</table>

7. The Dawn of Modern Industry \hspace{1cm} 166

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Characteristics of Modern Industry</td>
<td>167</td>
</tr>
<tr>
<td>The Industrial Revolution: A Misnomer</td>
<td>169</td>
</tr>
<tr>
<td>Prerequisites and Concomitants of Industrialization</td>
<td>170</td>
</tr>
<tr>
<td>Industrial Technology and Innovation</td>
<td>176</td>
</tr>
<tr>
<td>Regional Variation</td>
<td>187</td>
</tr>
<tr>
<td>Social Aspects of Early Industrialization</td>
<td>190</td>
</tr>
</tbody>
</table>
# Table of Contents

8. The Global Economy Confronts British Capitalism  194

Initial Global Divergence and Later Convergence  194
Population  197
Agriculture  200
Resources  207
The Development and Diffusion of Technology  208
Prime Movers and Power Production  209
The Rise and Spread of Electricity  211
The Rise and Spread of Petroleum  212
Cheap Steel  212
Transport and Communications  214
The Application of Science  220

9. Institutions Adjust (or Not) to Modern Economic Growth  222

The Institutional Framework  222
Legal Foundations  222
Economic Thought and Policy  225
Class Structure and Class Struggles  227
Education and Literacy  230
Finance and Banking  233
The Role of the State  243
International Relations  247

10. European Economies Adjust (or Not) to Modern Economic Growth  249

Great Britain  250
The United States  255
France  258
Germany  262
Belgium  268

11. The Growth of the World Economy, 1848–1914  271

Britain Opt for Free Trade  273
The Free Trade Era  275
The “Great Deflation” and the Return to Protectionism  277
The International Gold Standard  282
International Migration and Investment  284

12. The Spread of Development in Europe, 1848–1914  292

Small European Neighbors  293
Switzerland  293
The Netherlands and Scandinavia  296
The Austro-Hungarian Empire  300
Table of Contents

Southern and Eastern Europe 303
   The Iberian Peninsula 304
   Italy 306
   Southeastern Europe 308
Imperial Russia 310

13. The Spread of Development Beyond Europe, 1848–1914 312
   Japan 312
   China 316
   India 318
   Africa 319
   Explanations of Imperialism 323
   Globalization Backlash, 1890–1914 326

   The Economic Consequences of World Wars I and II 331
   Economic Consequences of the Peace 335
   The Great Contraction, 1929–1933 341
   Rival Attempts at Reconstruction 345
   The Russian Revolutions and the Soviet Union 349
   The Institutional Responses to Disintegration of the World Economy 353
   International Relations 353
   The Role of Government 354
   The Forms of Enterprise 355
   Organized Labor 356
   Economic Aspects of World War II 357

15. Rebuilding the World Economy, 1945–1989 360
   Rebuilding Western Europe 361
   Planning for the Postwar Economy 362
   The Marshall Plan and Economic “Miracles” 364
   The Era of High Growth 368
   The of the Soviet Bloc 370
   The Economics of Decolonization 376
   The Travails of the Third World 381
   The Origins of the European Union 382
   The Emergence of the Second Global Economy 386

   The Collapse of the Soviet Bloc 391
   The Evolution of the European Union 398
   The Long Twentieth Century in Perspective 400
Table of Contents

Population  402
    Demographic Transitions  402
    Demographic Dividend  404
    Demographic Displacement  405

Resources  411
Technology  414
Institutions  419
    Informal Institutions  419
Limits to Growth?  420

Annotated Bibliography  423

Index  457