

(\writing\freedom)

(Rough draft; not for quotation please: for conference at Windsor on Smithian growth)

March 2001

Freedom and economic growth

Alan Macfarlane

Introduction; problems and definitions.

This paper is being written in Australia, away from all distractions, but also from my books and files. Consequently it is unreferenced. It is very much a grand survey, looking at the history of Eur-Asian civilizations and the interpretations that have grown up over time around that history. I hope to cut through a vast literature on the broad relations between politics, society and economics ('freedom' and 'economic growth' are short-hands for these) by concentrating on one aspect of the problem.

The central topic behind this conference seems to be as follows. To what extent is economic growth either a cause or consequence of freedom. Of course, our answer will vary depending on what we mean by these terms, the region of the globe we are talking about, the time period etc. As an anthropologist, I might be thinking about the economic growth of the hill tribes of the Burma-Assam border or the Australian aboriginals, just as much as medieval Italy or nineteenth century Britain. The types of growth associated with the Mongols or the Roman Empire are different from those of Sung China or Tokugawa Japan. Likewise, freedom has many meanings, including the famous distinction between negative freedom (freedom from) and positive freedom (freedom to), and the different forms of 'freedom', over economic, political or social action, intellectual exploration or religious belief. We shall need to have some working agreement as to what we are talking about, or at least be aware of what each of us mean when we use these terms. So let me very briefly state the sense in which I shall be using these words and what I will be addressing as my central problem.

The economic growth I shall be discussing is that which we roughly term the industrial revolution. In other words, the transition from a basically agrarian world using current energy from plants and animals, to a principally industrial world using machines to convert stored carbon energy. In other words, the oldest and most central question of economic history, namely why did the world undergo the largest economic transformation in history since the invention of farming, roughly in the period between 1750 and 2000 A.D. As far as 'freedom' is concerned, I mean the word in the eighteenth century Enlightenment sense of 'liberty'. That is to say, the ability of individuals to control their own economic, social, political and religious behaviour and thoughts without too much (a vague but necessary formulation) interference from larger entities, for example the state, the established religion, the family, the caste or class. Another way of putting this is to say that freedom exists when the artificial separation of the institutional spheres, that is politics, society, economy and religion has been taken to such an extent that the only entity, which encapsulates all of them, is the individual.

With these definitions, the problem behind my paper and I presume the conference can be stated quite simply by quoting a remark by David Landes: '...those economies grew fastest that were freest' (Prometheus Unbound, p.19) How much truth is there in this remark? Is freedom a necessary, or even a necessary and sufficient condition of economic growth? Or, reversing the causal chain, is freedom itself only possible when there is sustained economic growth as a number of thinkers,

including Ernest Gellner, have argued? Tying these general questions to the more specific definition above, the question becomes the following. To what extent can we explain the economic growth, which we call the industrial revolution by reference to 'freedom', whether political, social or religious?

Finally, before we examine these general questions, it is important to distinguish between cases and between durations. As we shall see later, one temptation for historians is to muddle up what is happening in later cases of industrialization, as in China or India now, with the first case, namely England. The 'bootstrapping' first event is very different in kind from later 'imitations' where the technology can be imported in, as in South Korea. Imitation and invention are not the same thing. I shall principally be concerned with invention - the first case. Secondly, it is important to distinguish short-term growth (for a generation or so) from sustained growth over a number of generations. It is very easy to point out that in a number of cases (fascist Germany and Italy, Stalin's Russia, Mao's China, South Korea or Singapore); economic growth can be achieved through centralized planning and the suppression of freedom. What I shall be concerned with, however, is sustained economic growth that continues over a hundred years or more, as in Britain or America.

So, putting it in as brief a form as I can, we have the following problem. Are there grounds for believing that political and other 'freedom', in other words 'liberty' was a necessary, if clearly not sufficient, factor in the sustained, long term, economic growth of England, and then other parts of 'the west'? If there were such grounds, it would follow that the absence of 'liberty' was probably one of the reasons, along with many others of course, why the industrial revolution did not occur elsewhere in the world until much later. I shall leave it as vague as this in order to allow each of us to fit in our own experience.

Since there is a vast literature on all aspects of this question, what I shall do is to provide a meta-survey of meta-surveys. In other words, I shall stand on the shoulder of giants and look at some of the major paradigms in the social and historical sciences through the works of selected individuals in relation to this question.

The Enlightenment paradigm

Some of the early speculations concerning a possible relation between freedom and economic growth occurred from the later seventeenth century and in particular after the 1688 revolution in England. John Locke and later Bernard Mandeville drew attention to the fact that the commercial prosperity of England was connected to its political and social freedom. In the work of many of the thinkers and artists of early eighteenth century England, from the poets such as Pope and Dryden to the political philosophers such as Bolingbroke, it became an axiom that the wealth of England (and the Netherlands) was related to the constitutional monarchy, the freedom of the subject, the freedom of the Protestant conscience, the liberty of the individual like a busy bee to pursue his private gratifications so that 'private vice' could turn into 'public benefit'. The somewhat parochial observations were given a global formulation in the work of a man who took the whole world as his canvas and provided the first detailed comparative anthropology of civilizations.

Montesquieu (1689-1755) compared Islam, East Asia, the Americas, continental Europe and England. This led him to formulate his famous theories linking economic growth in England to the balance and division of powers, which in turn he linked to religion, geography, climate and other factors. He described how England had become a country which 'hardly resembles' the rest of Europe. It combined a thriving manufacturing and trading base with political, religious and social freedom. He even traced in a preliminary way how and why this had happened on this peculiar island. Yet he would probably not have been optimistic that the model would spread, or even be sustained in the long term. What he called 'despotism' and economic stagnation would be the ultimate fate of Europe, including England, as it was already the fate of Europe's far greater

predecessors, the Islamic world and east Asia. Thus for Montesquieu liberty and wealth were indeed linked, but only for a time.

Adam Smith (1723-1790) in the next generation had new data available to him. In particular, he noted the transfer of the English model to America and southern Scotland, and could obtain more accurate knowledge about East Asia and the Pacific. He was also aware of something new emerging in the fields of technology and science, as well as in the organization of labour through an increasing application of the principle of the division of labour. Yet, despite all of this, his major contribution is to outline the structural limitation of agrarian civilization, for they could not proceed much further in terms of 'opulence' or wealth. He famously established the three necessary, if not sufficient, conditions for the growth of wealth, namely 'peace, easy taxes and a tolerable administration of justice', thus again linking economic growth to the political and judicial foundations. Yet, as he looked around him, he could see, particularly in relation to the Netherlands, that even with these three conditions, opulence would cease to grow.

Another of his contributions was to parallel Montesquieu in showing where the only exception to stasis was then located, namely England (and southern Scotland) and America. These were the only areas in the world, he thought, which still enjoyed economic growth. And, again like Montesquieu, he mapped out a number of the reasons for England's exceptional pattern. Basically he saw the causes in a peculiar social structure (a large middling sector), a balanced political structure, a relatively fair and predictable taxation system, a good legal system providing security and the enforcement of contracts. He even provided a preliminary and plausible history, which explained parts of what might have led up to this unique position in England. These in turn he linked primarily to the political consequences of being an island. Yet despite his admiration for all of this, he was ultimately, like Montesquieu, a pessimist. The limits to growth had almost been reached in the Old World, and would quite soon be reached in the New. And when that growth ceased, the material 'bribery fund' as Gellner calls it, would shrink and political and other inequalities would grow again. There was no long-term escape from the laws of agrarian civilization.

In the next generation, Malthus (1766-c.1835) took up the riddle in his work we begin to see that the question is shifting. In the first edition of **The Essay on Population**, the trap is brilliantly outlined. There is no long-term escape for humans from 'misery', as Smith had shown, and for the same reasons. Yet, as Malthus traveled around Europe and read about other civilizations, the extraordinary nature of what was beginning to happen in England struck him. He was witnessing the emergence of a new type of civilization based on the conversion of fossil fuels, and this experience began to sap his early confidence in his laws. They began to turn from laws to (almost universal) tendencies, which had operated hitherto but which might now be suspended if humans acted rationally. If they could be suspended for a period, a virtuous circle could be entered, with wealth leading through status-seeking behaviour to a restraint on family size. He noted that this fertility transition was happening in England.

It was paralleled by an equally extraordinary reversal of the normal pattern of mortality, whereby diseases, which normally rose with urban crowding, were starting to become less serious, thus allowing a new kind of urban world to emerge. So perhaps an escape was possible after all. And again the place where it was occurring was England. The freedom of the individual to plan his or her own life rationally and responsibly, free from traditional family or other pressures, is deeply embedded in his argument. Freedom and economic growth are linked in this way, and also in reverse, for economic growth would make individuals free to make better choices.

This takes us to the 1820's. The next figure I shall consider briefly here is a member of the next generation, Tocqueville (1805-1859). For Tocqueville, again, the data has changed. When he left a still agrarian France in the 1830's, he felt as if he was visiting the future. In England he saw both the wealth and miseries of the first, and until then only, industrial revolution in history. In America he

saw the power and dangers of the first fully democratic nation. He was thus the first great thinker who was in a position to see simultaneously two things. He could feel and see the various traps, which had held civilizations within a hierarchical and agrarian order, which still lay around him in France. Yet he could also see that there had been a real escape from these traps in England and America. The combination of his structural position and as well as his intellect and nature, explain why his answers to the great question are the richest that have ever been given. He lived through the revolution and so felt its force, an experience only to be shared, as we shall see, by Fukuzawa in Japan.

In essence he combined the best of the theories of all his predecessors concerning the political and social underpinnings of economic growth, and reciprocally the economic underpinnings of political and social liberty, and the relations between all of this and religious freedom. He thus provides a superb outline of what has now emerged for the first time in human history. He was also able to expand the earlier attempts of those, from Montesquieu onwards, who wished to understand why England had emerged as the place where something new had arisen. He sketched out the tendencies towards centralization that had crushed early development on the continent (except the Netherlands) after the sixteenth century. He explained the reasons why England alone had become a 'quite modern nation' by the seventeenth century, not moving towards social hierarchy ('caste'), but towards contract, individualism, competition. He did not ascribe this to any natural virtue of the English, but to a combination of history (the Germanic legacy), geography (islandhood) and the 'spirit of the laws'.

All of this was much clearer to him for he could see the bones of the system, pared of all the inherited flesh, in America. The underlying model was one where the separation of spheres, the essence of modernity, had already occurred. And the new form, which held societies together once this separation, had occurred, and which replaced 'caste' and 'kinship', was the association. So with Tocqueville we have the problem refined down to its essentials, and a plausible sketch of an answer to the relation between economy, polity, society and ideology. Yet this could only remain a surmise, based large on intuition. This is where the story in my book on **The Riddle of the Modern World** ends, capped with a brief consideration of the way in which the very problem at the heart of the Enlightenment project was overlaid, but re-discovered and re-approached by Ernest Gellner.

As I wrote the book originally, it included two further thinkers whose work largely completes the Enlightenment story. One was someone who could explain in detail what earlier thinkers had only guessed namely the way in which England over the centuries had escaped the powerful traps and tendencies which had finally halted the far greater civilizations of China, Islam and Continental Europe. Why had a new kind of civilization emerged for the first time on this unlikely spot, a small, peripheral island in the cold northern seas? What was the nature of this New World and what its causes? The task of performing this daunting task I assigned to the man who is the unrecognised heir of the great tradition from Montesquieu to Tocqueville, that is of a kind of structural, legal-based, history, namely F.W.Maitland (1850-1906). My work on Maitland is in press as the first two thirds of a book entitled **The Making of the Modern World** (Macmillan 2001?), so perhaps I can be permitted a little longer in which to elaborate on his answer to the great question.

F.W.Maitland was, on the surface, a legal historian of England, but his wider goals are indicated by the title of his Fellowship Dissertation for Trinity College, Cambridge, namely 'A Historical Sketch of Liberty and Equality as Ideals of English Political Philosophy from the Time of Hobbes to the Time of Coleridge'. His ambitions are also indicated in his comments on Sir Henry Maine, whose famous generalization that 'the movement of the progressive societies was from status to contract' he so brilliantly qualified. Of Maine he wrote 'It is only through learning wide and deep, tough and technical, that we can safely approach those world-wide questions that he raised or criticize the answer that he found for them.'(Collected Papers, i, 486-7) Maitland amassed that learning, though he would have been far too modest to say so himself.

Maitland traced the history of English law, politics and social structure from the seventh to nineteenth centuries. He showed the mixture of structural continuity with flexible evolutionary change over that period. In comparison to the 'normal' trajectory of most continental countries, what had happened in this exceptional case was peculiar. His account can be suggested by a number of negatives, or exceptions. The English had never had true 'communities' out of which 'individuals' had emerged. They had never had a kinship based social system. They had never become a 'feudal' society in Marc Bloch's sense; in other words there had been no 'dissolution of the state'. And yet, in one of his famous paradoxes, Maitland showed that they had become the most feudalized society in history, since all land was ultimately held of the king. This was one of the reasons why they had never developed into a peasant society, that is one based on a domestic mode of production, composed of largely self-subsistent holders of their own lands. So, as Bloch also recognized, even by 1300, the political, legal and social structure of England was structurally different from large continental agrarian societies. This peculiarity became greater because much of Europe 'received' a revived Roman Law between the fourteenth and eighteenth centuries. This was largely rejected in England with its Common Law tradition. So England became, in the legal historian John Baker's phrase, an 'island of law'.

One aspect of this, as Maitland showed, was that England never developed laws based on rank or status; legal relations were founded on contract, equality before the law. So Maine's famous transition from status to contract never occurred in England. By the seventeenth or eighteenth centuries, the normal tendencies towards fixed social hierarchy, political centralization in a powerful military and court-based State had not occurred. The lineages, which Perry Anderson describes as leading to the Absolutist State, had not led in that direction in England. A peculiar social structure, individualistic, competitive, market-based, with infinite gradations and dominated by achievement through the making of wealth had emerged. It had unique social statuses such as the 'yeomen' and 'gentleman' and a peculiar concept of the law being above the Crown.

How had this exception occurred? Through a set of accidents and unintended consequences is the gist of Maitland's answer. There were the peculiarities of a Germanic civilisation which had rejected much of the Roman administrative and legal legacy, while embracing Christianity, the Roman language and technology and other advantages. There were the accidents of great lawyer kings such as Henry II. There was the accident of islandhood, which tipped the balance away from the powerful towards the middling groups. There was the accident of a good climate for wool production and so on. One of the greatest accidents of all, and one that explained the peculiar Anglo-American ability to hold societies together, to increase wealth without creating hierarchy, was an originally small legal development.

Towards the end of his short life Maitland began to discern the answer to his nagging doubts about Maine's formulation. Clearly England had evolved something that cut across status and contract and so made Maine's (and Marx and Tonnies) central insights misleading. This was the form which Tocqueville had seen the effects of, namely associations or what we now (after the fall of the Soviet Union made us aware that we have it), civil society. That is the multitude of half-contractual, half-status like groupings that lie between the individual and the State.

Maitland wrote that 'If we were asked what is the greatest and most distinctive achievement performed by Englishmen in the field of jurisprudence I cannot think that we should have any better answer to give than this, namely the development from century to century of the trust idea.' (Collected Papers, iii, 272). Born through the accident of a device to allow landholders to pass on their estates through a fictitious yet 'corporate' or living entity, the trust, it had flourished with the Lord Chancellor's backing. Henry VIII had failed to crush it, and from the later sixteenth century onwards the 'trust concept' formed the basis of much of English civilization and later, through America, of global capitalist society. It provided the exact balance of freedom and constraint that

was needed for major advances in almost sphere of life. In politics, it provided the form for most of the political clubs and associations down to the Trades Union movement and hence was the backbone of democracy. In religion, it provided an organizational structure for the nonconformist sects, and hence was the essential underpinning of religious tolerance. In economics, it gave an organizational shape for most of the collaborative experiments upon which English wealth was based, the Stock Exchange, Bank of England, Lloyd's Insurance, Joint Stock companies and so on. In social life it lay behind the numerous sporting, charitable and other clubs and associations for which England and America are famous. It provided the form for most of the intellectual and artistic clubs and academies which lay at the heart of the scientific and technological development of England, from the Royal Society down to working men's clubs and regional literary and scientific institutes. It made local government strong, it shaped the nature of the British Empire and it spread the concept of trust and trustability. Maitland documents all of this.

In relation to our theme here, its most important function was to preserve freedom by protecting individuals. It protected them both from themselves, that is from a narrow and destructive egotism and competitive individualism at one extreme, and from the dominating institutions of the State and the Church at the other. It overcame the natural tendencies and traps, that is the way in which wealth normally leads to the exact opposite of Smith's pre-conditions, in other words increases the likelihood of war, in unjust taxation and an unfair legal system. That tendency, which can be seen developing over much of continental Europe, did not operate.

So something odd could happen. Economic, political, social and intellectual 'wealth' could continuously expand without leading to either atomization (as Tocqueville feared) or centralization (as he equally feared). The foundations for opulence were thus held present over a long period. Of course, even if this could be maintained over a thousand years, as it was in England from about 700 to 1700, it would not, in itself, be enough to guarantee an escape from an agrarian world. The contingent factors, for example the presence of large coal reserves as Wrigley argues, or an American and other Empire were also necessary. When considering one of the three largest shifts in human history, and one which far larger and more sophisticated civilizations than England had not achieved, we are clearly dealing with a complex situation. It was like a combination lock in which all the numbers have to be right simultaneously and at the right moment in history. Yet by the end, in considering Maitland's work one has a very plausible account of what did happen in the first industrial nation and strong indications of why it happened there rather than elsewhere.

All of the thinkers considered above saw both the traps and the tendencies from within the heartland of where it occurred, namely Western Europe. In order to see whether the blueprint, based on a peculiar set of relations between polity, society and economy, at the heart of which was liberty, worked as well or at all elsewhere, it is necessary to find another thinker. Such a person would combine an understanding of the essentials of the western philosophy of growth and the practical interest in trying to apply it to a non-western civilization. I have found only one such thinker outside the west, and appropriately one who was at the heart of the first great transformation from agrarian to industrial civilization in Asia.

Yukichi Fukuzawa (1835-1901) was the most influential thinker of the Japanese Enlightenment and his influence in shaping the new Japan is remembered to this day on the ten thousand yen note. Like Tocqueville he was born in a hierarchical, clan-based, society and like Tocqueville he traveled to America and England and saw the future. He brought back with him a wide range of western ideas and through a massive educational drive combining writing and practical organization laid out the fundamentals of many areas, from gun manufacture, accountancy, public speaking and debate, to education, the status of women and the nature of liberal civilization. He was behind the founding of the first private university, Keio, an important national newspaper, an important bank. He self-consciously rejected the Chinese influence on Japan, regarding Chinese civilization as bankrupt of new ideas, and espoused 'things western', at least for a while, as he sought to explain to his fellow

countrymen the essence or secret of the success of the west.

He boiled this down, in his most famous book **An Outline of a Theory of Civilization** to the idea, which he derived from Tocqueville, J.S.Mill and others, that the essence of western success was in its liberty or freedom. This is a shorthand for the separation of spheres, for he saw that what America and England, in particular, had achieved was a world in which no particular sphere dominated, or, in Marxist terms, there was no determining infrastructure. God, the state, the family, the caste, none of them could absorb the rest of society. What he saw and wrote about was the way in which a new kind of civilization had emerged in which through a mixture of self-interest and self-sacrifice or co-operation, people could work together to escape from the poverty and injustice of the kind of world into which he was born. He argued that technology and science were important tools in this process, but they were only tools. The essence was the foundation of social, intellectual and political liberty. These were the ideas of his most productive years from 1860-1875 and though he went through a nationalist and authoritarian phase, largely in reaction to the imperial predations of the west, he never abandoned entirely his liberal beliefs. The **Kojunsha Club** which he founded, and which still exists in Tokyo, was just one expression of his realization of the core importance of that 'trust concept' which Tocqueville and Maitland had placed at the heart of their analysis.

What is particularly interesting is that his importation of the blueprint, though modified, more or less worked. As people pointed out many of the young leaders of the new Meiji Japan were his direct or indirect pupils, and they turned a deeply agrarian civilization into an industrial one in two generations, at least half a century before anywhere else outside the 'west'. He and his followers did so by rejecting the Chinese Confucian model and concentrated on the political, social and mental changes that would underpin wealth and sustained economic growth.

So, at the end of **The Making of the Modern World**, I have completed a trilogy that outlines some of the classical theories to account for the escape from three of the major traps that halt 'progress'. The Malthusian trap of population (discussed in my **Savage Wars of Peace**) and the political and social traps outlined above. The answer I have found is basically selectionist or Darwinian, that is more or less blind variation and selective retention, as with the development of the trust idea. Once selected, the innovation or invention can spread. After that design enters in much more, as in Japanese or recent East Asian history. But the first case is 'miraculous' in Weber's sense in that it could neither be anticipated or planned and was the result of many chances. This is also a story that fits well with Gerry Martin's triangular model. Material and cognitive growth occurs through movement round a triangle. At the top are improved theoretical knowledge, reliable knowledge, and inventions. At the bottom right is the embodying of this knowledge in artefacts, innovations. At bottom left is the multiplication of these artefacts through mass production for a market. Economic and cognitive growth occurs as a society or societies move round the triangle, from invention, to innovation, to mass production and back to new invention. Usually, after a number of moves round the triangle, the momentum is broken by one or more of the traps I have listed. People stop inventing, or the inventions do not turn into innovations, or the quantification of the innovations does not occur, or the newly mass-produced objects have no effect on the possibility of new fundamental discoveries.

Looked at in this way, the history of England can be seen as one where through a set of accidents, the economy (with some hiccups such as the Black Death) went round the triangle again and again. Each time there was an addition of reliable knowledge. Usually, until the eighteenth century, this knowledge was brought in from the network of competing knowledge centres which existed on the Continent, and which were in turn fed with Islamic and East Asian knowledge. England was until the eighteenth century intellectually and technologically a net important and in that sense peripheral. Yet these imports were set in a new relation to each other through that strange mix which Tocqueville, Maitland and others had described. So they took on another, unprecedented, shape and when joined to coal, iron, Empire and trade created much of the world we know. And this creation

was not just the result of events in the eighteenth or nineteenth centuries; they have a long history stretching back a thousand years.

Historians are divided between those who believe that if England had never existed, or, in a weaker formulation, been conquered by the Spanish, there would have been no industrial revolution, and those who believe in inevitability, the spirit of history etc. Of course, without playing back the tape and changing the parameters we shall never be certain. But I think that all those thinkers I have alluded to would have taken the view that without England, the modern world of liberty, wealth and equality, finding its new projection in America, would never have emerged. The one exception to this view might be Marx. He was well aware that England was the first capitalist society, the cradle of capitalism. He was also aware that capitalism could only emerge along a route whereby status was broken and contract emerged, which lay through 'feudalism'. The 'freedom' of the market meant that the spheres had to be separated, and this had happened first in England. Yet one suspects that with his dialectic of the class struggle and the growing effects of technology, he would have fallen on the side of the teleologists. Though many civilizations, he argued, had become 'stuck', as in the Asiatic mode of production, the west, even without England, he would probably have believed, moved, much more slowly, towards industrial capitalism. His ambivalent message thus contains two strands. One accords with the Enlightenment view of the peculiarity of England. The other was later to lead into the teleological rejection of much of what appeared to have been established from Montesquieu to Maitland.

One final figure who must be mentioned is Max Weber. Weber picked up Montesquieu's insight of the connection between piety, commerce and liberty, most famously in his Protestant ethic thesis, but also throughout all his majestic studies. In many ways his work can be seen as the final flowering of the Enlightenment argument. He believed that Europe was unique and his comparative studies of China, India, Islam and the ancient civilizations of the Mediterranean showed in what this uniqueness lay. He provides a magnificent overview of the traps and tendencies of caste, kinship and religion. He does not state that civilizations outside Europe could never become industrial nations, and though he does not write much about it, the success of Japan already showed that this was possible. But he showed the structural difficulties in the path of China, India and Islamic civilizations. In other words, he filled in the earlier models of the Enlightenment. By the time of his death there was no visible challenge to the general argument.

The neo-Marxist paradigm.

Yet already a new set of ideas was emerging, not unconnected to the founding, in 1917, of the first political, economic and social system that completely overturned the basis of the liberal separation of spheres. The twentieth century can be seen as the great experiment to try alternatives to free market capitalism, on the right (fascism) and the left (communism), and the left or socialist version had a profound effect on the Enlightenment paradigm. Instead of separating spheres and allowing the individual to be 'free' through competition, the new systems would suppress all freedoms (temporarily) in the hope that all would share in a modern version of Rousseau's general will - all would be free because the artificial barriers between politics, society, economy and ideology had been swept away.

So from 1917 to 1989, and particularly from the 1940's when China espoused the cause, it became possible to argue that there was no connection between 'freedom' (at least in the western liberal sense) and economic growth. Centralized planning and the suppression of individual rights and freedoms would guarantee in a much shorter time a superior technology and style of life. It is interesting to see how this ideological alternative attracted many of the best historical minds, or shaped them in ways of which they were only dimly aware, so that the Enlightenment paradigm, as paradigms are, was not directly challenged and overthrown, but quietly forgotten.

I can only briefly mention one or two significant moments in this period. One was the turning of English medieval society from the contractual feudal world portrayed by Maitland, into a more or less standard 'peasantry', much like that of continental countries in later centuries, or like Russia, India or Chinese peasants. Interestingly this was largely achieved by scholars with East European roots, starting with Kosminsky and Vinogradoff and completed by Homans and Titow. They were ably supported by British scholars with socialist leanings, from Tawney to Hilton and Hill.

Basically what happened was that England, and Europe as a whole, was slotted into a new framework. It was argued that all of Europe went through a feudal-peasant phase of a more or less similar kind. Then, in the 'watershed' period of the fifteenth and sixteenth centuries, England broke away from the mass of peasantry to become the first proto-capitalist nation, achieving full capitalism after the second revolution, namely the English Civil War. This finally freed the English from the 'fetters' of a pre-capitalist formation.

It is obvious that this is a sort of neo-Marxist framework. It contains a certain teleology, and a universal set of stages. As I found when I absorbed it at Oxford in the 1960's when it was at its height, it was a very exciting and convincing framework. It had the appeal of all Trinitarian models. There was before - a world from England to China of a domestic mode of production, familistic, pre-capitalist and agrarian. Then there was the period of transition, the growth of a new structure within the old shell, first in England, and then elsewhere. And then the triumph of capitalism, very recent and entirely new and hence, as many hoped, transitory and soon to be replaced by something more akin to what had been adopted in Russia or China.

Of course there were always dissenting voices, those who maintained the argument that there was indeed a European Miracle, as E.L.Jones argued, or that there was something very special about the English industrial revolution. Others, such as Jack Hexter or J.C.D.Clark mounted bitter attacks on the whole of the 'seventeenth century capitalist revolution' approach, though from different ends, for Hexter argued that capitalism and class struggle were much earlier than the sixteenth century, while Clark argued that there had been no English Revolution and that the **ancien regime** lasted until 1832. The Brenner thesis attacked the arguments from another angle. Likewise, in **The Origins of English Individualism** I described how if one applied the neo-Marxist framework to the detailed materials for English social and economic history they did not fit. It was only then that I began to discover the buried Enlightenment paradigm which had been so obscured that it was entirely new to me, despite six years of formal history training at Oxford.

It is not difficult to see how this neo-Marxist paradigm fitted with the world of de-colonialization, the cold war, the promise of international socialism and communism. In a strange way it was even mirrored in reverse by one of the most ardent anti-communists, Rostow. He more or less took the same framework. The runway of history in 1700 was crowded with nations hoping to take off into economic growth. England took off first, and then, as his appealing diagram shows, after about seventy years, America, France, Germany and other European nations. Then came Japan, followed some seventy years later by other Asian economies. Rostow more or less accepted the neo-Marxist framework of stages and, indeed, was truer to Marx than many of those he attacked. For many of the new Marxists argued that in the case of China and the Soviet Union the Marxist 'stage' of capitalism could be skipped. Rostow's other difference was that he saw no further stage - once air-borne, that was that. The neo-Marxists saw capitalism as only the first take off. Later the crew and passengers could abandon the nation-state and the capitalism mode of production and fly on their own.

In relation to the question of freedom and economic growth, the neo-Marxist paradigm gave an ambivalent answer. On the one hand, in the classic capitalist revolutionary case of England, Europe and America, 'freedom' in Marx's sense was essential. Capitalism emerged by allowing the individual to put himself on the market and to hold private property. The 'fetters' of the family, caste,

religion and so on had to be thrown off. On the other hand, there was a better way, as the Soviet Union and China had discovered. Skipping the capitalist stage, one could enter directly into paradise by compressing all freedoms into the general good, thereby giving back the individual a wider freedom. Year Zero could be proclaimed, all private property and the state and religion abolished, and individuals brought into harmony with each other and themselves through communalism. A return to the Garden of Eden could be made straight from the peasant 'stage'. In this vision, 'freedom' in the Montesquieu to Maitland sense was totally absent. Technology would be imported and centralized planning would do the rest. Thus while 'freedom' and economic growth might have been linked in the past, the future did not require 'freedom' in the old-fashioned sense. The echoes of Rousseau and the French Revolution are only too obvious. And the blood bath of Stalin and Mao's purges and planned famines are also an echo of that earlier Utopian experiment.

The confidence that freedom had little to do with economic growth in the new age of high technology was given a new boost even in the non-communist NICs (New Industrial Countries). Whether it was in the oil states of the middle east, vastly wealthy and not noted for their freedoms, or the new tigers of East Asia, Singapore, South Korea, Taiwan, Hong Kong, Malaysia, it was obvious to the dimmest that central planning and force were far more effective than some wishy-washy liberal belief in the importance of freedom. Harsh, authoritarian, often military, regimes were rocketing ahead, while the liberal democracies were sliding back into obscurity. England, the home of democracy and liberty, had become the sick man of Europe, quite unable to compete with the new, thrusting economies in Eastern Europe, eastern Asia or elsewhere. Even North Korea appeared to be doing better than England.

Despite predictions of 'The End of History', however, history had a few tricks left. In the last dozen years of the twentieth century a number of things happened which changed all the equations and effectively sunk the neo-Marxist paradigm. There was the collapse of the Soviet Union, the revealing of the horrors of the Stalinist regime, the admission that communism did not deliver sustained economic growth. The cry in the east was for freedom, without which a decent standard of living was unobtainable. Secondly, the partial collapse of most of the east Asian NICs suggested that in the longer term authoritarian, centralized regimes were not necessarily more able to develop economic growth than the newly reviving economies of America and England (the latter re-emerging from its death-bed to become, as of now, the fourth largest economy in the world). Thirdly, China recognized that the planned communist economic model was not working and liberalized its economy, though the second phase, liberalizing the political structure is yet only marginal. Fourthly, India did the same thing - and, like China, suddenly found that freedom in the economy worked wonders - at least for the middle class. Both countries saw impressive rates of growth in GNP as soon as they provided freedom. Meanwhile, those few countries that grimly hung on to the old model, in particular North Korea, were a living warning of the terrible consequences of rigid authoritarianism.

The problem for historians, however, was that they were left without any suitable paradigm. They had forgotten the Enlightenment one; they found the neo-Marxist one no longer satisfactory. Thus many of them ended up despairing of all theoretical models, an example being the recent television series and book by Simon Schama on the history of England. In the preface to the book Schama explicitly states that he is returning to an explicitly narrative, anti-theoretical, mode because there are no models to believe in any more.

The Orient-centered model of the world.

Although it does not have the theoretical underpinning of a new paradigm, there is one interesting new development, which I would like to end with. This I have termed the 'Orient-centered' model of the world. It has been fed by a number of streams, many of them dating back to the 1960's and born of the same neo-Marxist spirit. One powerful stream is the work of Marshall Hodgson, whose

influence has recently been acknowledged by Gunder Frank. Hodgson's magnificent **The Venture of Islam**, as well as his collected essays on global history, provide us with an alternative history of the world. Basically, from the fifth to seventeenth century, the epi-centre of the world was in the three Islamic civilizations that governed from Nigeria through to western China. Europe was a backwater, an unimportant and barbaric region that only re-emerged on the world stage in the seventeenth century. It did so not because there was anything wrong with Islamic civilization, Hodgson argues, but because of superior cunning and predatory skills in the west. One aspect of this shifting of attention from Europe to Islam was complemented by Said's work on how the 'Orientalism' of the west turned the Orient into a uniform, feminine, subject of contemplation as western powers began to dominate that region from the eighteenth century.

A second strand lies in the work of William McNeill, Wallerstein and others. McNeill began to develop a teleological model of world history that again saw the west as only one minor part of a 'world system'. This world system, based on increasing trade and exchange was inevitably growing more complex over the centuries and, after a certain point in time, was unstoppable. Thus McNeill finds the whole 'European Miracle' story, and particularly the agonizing of Gellner over how the 'great escape' from agraria could have occurred, an irrelevant exercise. (E.g. see McNeill's essay in Hall & Jarvie (Ed) *Essays on Ernest Gellner*) There was no miracle. The modern world was bound to occur as the international order developed and an increasing division of labour emerged. There is no mystery; what has happened was bound to happen. And, of course, freedom has absolutely nothing to do with what has happened. The Wallerstein model of centre and peripheries can be slotted into this to suggest one of the mechanisms whereby the global world system emerged, basically through predation by the centre on the peripheries.

These ideas and others were given a significant boost by what many saw as the most significant event of the 1990's, the rapid growth of China and Chinese related economies. Talk spread of a new type of 'Confucian' world civilization, others remembered that the ascendancy of Europe had, in world terms, only been very brief, basically from 1830's to 1980's. And what was 150 years in the Chinese scheme of things? A number of books came out lambasting the Euro-centric models of the world, deriding Weber, arguing that not only China but also Japan were just as rich, powerful, and 'advanced' as Europe until at least 1800 or even later. From different angles, the work of Blaut on **The Colonizer's Model of the World**, of Hanley on **Everyday Things in Japan** of Goody on **The East in the West**, of Gunder Frank on **Re-Orient** are examples of this new wave. All of them share one thing in common. They argue that since we now know that rapid economic growth occurred right outside the Euro-American zone, any idea that there is something special about Europe in terms of mentality, social structure, political freedom or whatever, must be nonsense.

While the attack is usually on Weber, by implication the whole Enlightenment problematic is seen as misguided, if not mischievous. There was no European miracle, there is no necessary link between freedom and economic growth. Look at China, Taiwan, Thailand, Hong Kong, South Korea, Japan, Singapore, Malaysia and you will see that what happened in the west was fairly insignificant. It was an accident that it happened there first. East Asia was always the world leader, and it just got temporarily delayed, probably by European imperialism, its wealth sucked away. If Europe had never existed, East Asia would have quite soon developed its own form of industrial civilization. And so on.

To my mind the best of the genre is the new book by Pomerantz on **The Great Divergence**, and since time is short I shall confine my discussion to a very brief overview of some of his contentions and how one might assess them. I should start by expressing my admiration for his book. It is an excellent piece of work; full of insights, carefully and judiciously argued, full of detailed research, well written. I have learnt a lot from it and my comments should be taken as an effort to improve an outstanding contribution.

As most of you will know, the book consists of a detailed comparison of the economic situation in China (and to a lesser extent other parts of Asia) with Europe, particularly during the eighteenth and nineteenth centuries. There are detailed assessments of the standard of living, technologies, agricultural methods and yields, taxation regimes and other central indicators of economic performance. A very large amount of statistical information is gathered together to support a number of the basic conclusions, which may be summarized as follows.

Apart from the matter of shipping and international trade, there was no appreciable superiority of the west over China by 1800. The Chinese were as well fed, clothed, housed, lived as long, produced as much through their agriculture, as western Europe. It was only after 1800 that a divergence in standards of living and technical efficiency occurred.

There was no significant structural difference in the economies of China and Western Europe before 1800. They were all 'agrarian' and subject to the same structural constraints. There was no 'divergence' until the nineteenth century.

Since there was no difference in either quantity or kind in the economies at the two ends of Eur-Asia by 1800, we are left with the puzzle of why differences developed so quickly between 1800 and 1850. The reasons were relatively small and entirely fortuitous, and both were centred in the first period on England. England had good coal supplies and it had a huge set of 'invisible acres' in the Americas that supplied it with the wealth for its 'take off'. China's coalfields were in the wrong place (the northwest), and it had no vast empty acres to pillage.

In many ways this is a refreshing argument, like the others putting western hubris in its place, reminding us not to be Euro-centric etc. Yet the danger of this new argument is that it obscures as much as it clarifies. I think that when historians look back from the middle of the twenty-first century, some of the flaws in the new model will be glaringly obvious.

The criticisms are basically methodological. Although western writers have in their ignorance lumped 'China' into one entity, or lumped 'Japan' and 'China' together, when they are very different, it does not help to mirror this shortcoming. Pomerantz treats 'Europe' over its thousand-year history as if there are really no differences within it. Thus when he needs evidence to show that yields, or ratios, or whatever were no higher in 'Europe' than in 'China' he is happy to draw evidence fairly indiscriminately from Portugal, Italy, France, England, Scandinavia or wherever. Of course, once one does this, one can prove almost anything - as he does. In particular, he lumps England and the Continent, until 1800 at least. Once one assumes there is no difference, then inevitably the whole line of the Enlightenment argument is suppressed. It is quite irrelevant to look at the different political or social histories of different parts of Europe. The difference between English and French feudalism, for instance, is quite irrelevant.

In fact this lack of differentiation between different parts of eighteenth century Europe leads, in a curious way, to a confirmation of the Enlightenment argument. Pomerantz provides detailed evidence and logical arguments which confirms the view of Montesquieu, Smith and Tocqueville that most of continental Europe had indeed hit the outer limits of the agrarian mode of production. There was no obvious escape from this, either in Europe, China, India or Japan. Unfortunately, however, by lumping England in with this picture until 1800, Pomerantz makes it almost impossible to understand how the situation was reversed.

The second point is that he concentrates on quantities, that is outcomes, rather than processes. It may well be that the yield per hectare from wet rice is much higher than from dry grains, and this is interesting. But equally interesting is the way in which wet rice cultivation has all sorts of social and economic consequences, for example by reducing the number of animals, increasing the demand for labour (and hence increasing population), reducing the size of holdings (and hence altering

stratification), reducing the need for grinding machinery and so on. Thus, from a statistical point of view in terms of output per unit of land or even unit of energy input, there may be little difference between an acre of wet rice in the Himalayan village where I work and the huge arable fields where I live in England. But a little reflection and even more so some detailed first-hand observation of the two processes brings home a vast divergence. This over-emphasis on quantification - one can only count what one can count - rather than quality runs right through the book, reminding one of the classic definition of a cynic as one who knows the price of everything and the value of nothing.

The difficulty is compounded by an over-emphasis on cross-sections rather than dynamics. Pomerantz's basic point, that China was in many ways as affluent as much of Europe in the later eighteenth century was made by Montesquieu, Smith and Tocqueville. But what the earlier writers who were living through the events they were describing also noticed was a difference in dynamics. They observed that the technology and sophistication of China when described by Marco Polo was enormous - but seemed to have changed little four hundred years later. There were a series of micro improvements, and it had impressively maintained its standard of living with a larger population. But it was not going anywhere. To be fair, Smith observed the same phenomenon for much of continental Europe by the eighteenth century. Even the Dutch had halted. But over the four hundred years there had been enormous change and growth, and England and America were still growing. So the west had until recently been dynamic. If one compared the technology of western agriculture in 1000 A.D. and 1750 there was an immense change, particularly in the use of non-human energy (wind, water, animals and increasingly coal in England). There was a dynamic momentum, though Smith saw it halting. In China, if we are to believe Mark Elvin and others fundamental technological and economic change had largely halted after the fifteenth century.

Although one must resist the attraction of the Rostovian metaphor of 'take off', it is important to look at momentum. The English industrial revolution did not happen from a standing start. We can see the build up of capital and technology over half a millenium. After the event we can see the results. This is one of the many reasons which leads one to be certain that neither China nor Japan were 'moving towards' industrialization before the impact of the west.

Perhaps the deepest methodological weakness however is the narrow disciplinary foundation of the work. The problem of economic growth is far too important to leave to economic historians. As Larry Epstein shows in his book, the underpinning of economic growth in medieval Europe was not technical or economic, but rather political - the unification into nation states. Likewise, it seems likely that, if we are to understand the first industrial revolution, we will not get far if we stop at economic facts.

If we ask ourselves what information Pomerantz provides about the difference of social structures, the difference in political and administrative systems, the difference in religions and ideologies, as between China and parts of the west, the answer has to be 'practically nothing'. The rich, multi-stranded, Enlightenment vision has been abandoned. The problem is defined in purely economic terms and consequently it is not surprising that we find the answer in purely economic terms - coal and American resources. Yet the mind is not content with this, even at a superficial level. There was lots of coal in Japan, there was lots of coal in Germany and parts of France, so why was it not used? Many European powers had 'ghost acres' in various parts of the world, yet this often made them poor (Spain, Portugal) rather than rich. Clearly to proceed further we need to move beyond economic facts, though it is very useful to have them outlined so well.

Finally, there is the matter of science or, as some would prefer to call it, reliable knowledge. It is revealing that a book which, in many ways, could be seen as undertaking the same task as Joseph Needham, in other words to increase our respect for the ingenuity and sophistication of China, hardly alludes to Needham's work. Indeed (from memory) it never, or hardly, mentions the scientific revolution at all. Now it has become fashionable to argue that scientific knowledge had no obvious

effect on economic efficiency until the later nineteenth century. If we define science and efficiency very narrowly and confine ourselves to practical technologies that were developed in a laboratory and directly applied, this may be true. Yet, as Crosby has convincingly argued in his *The Measure of Reality*, we need to define reliable knowledge much more widely. As Needham himself so forcefully demonstrated, while China was far ahead in terms of technology and reliable knowledge by 1300 A.D., there was not much development in the following five hundred years.

Whatever we mean by the 'scientific revolution', it did not occur in China, but it did occur in Western Europe. That is to say a new attitude to truth, experiment, precision, measurement etc. emerged and through long chains of causation influenced all sorts of things. Without the embedded and increasing reliable knowledge much of the technology of the west, from weaponry, through navigation, to glass and iron and pottery and steam engines, would not have occurred. To write a whole book on 'The Great Divergence' between the two ends of Eur-Asia and to completely omit all of this is, to say the least, bizarre. It is as bizarre as to treat the difference between Christianity and the Confucian -Taoist- Buddhist- Shinto mixes of East Asia as of no significance. Or as bizarre as treating the differences between social structures (class and caste and ranks), between kinship systems (agnatic, cognatic), between political systems (monarchical and republican, imperial and centralized) as of no significance.

It may be difficult for many western historians to criticize the new 'Orient-centered' vision for fear of being accused of being ethno-centric etc. Having spent much of my life as an anthropologist working on Himalayan societies and in studying Japan I have the highest respect and admiration for Asian civilizations. Thus I am perhaps in a better position than many to warn of the dangers of a new form of historical political correctness. While doing us a service by reminding us of what Smith and his successors always stressed - that is to say the majesty and sophistication of east Asian civilizations - it would be sad if in doing this we also lost sight of the central question.

That question is why the industrial revolution occurred in one place and one time. In answering that question we have to take into consideration the political, religious, social as well as the economic factors. And in doing this we could do worse than consider the Enlightenment formulation of both the question and the answer. This takes it as axiomatic that, at least in the first case, freedom (or liberty as they would have called it in emphasized the mixture of freedom and constraint) and economic growth are two sides of a coin. The reason why the Enlightenment thinkers could see this, but we are tempted to forget it, is explained by Tocqueville. Though he was writing about the French Revolution, what he argued is equally applicable to the Industrial one: 'great successful revolutions, by effecting the disappearance of the causes which brought them about, by their very success, become themselves incomprehensible.' (*Ancien Regime*, 7)

(10,000)