



Kenneth Pomeranz, *The Great Divergence: China, Europe and the Making of the Modern World Economy*. Princeton, NJ: Princeton University Press, 2000, 392 pp., ISBN 0691090106 (pbk), US\$23.95.

Mehmet Genç, *Osmanlı İmparatorluğunda Devlet ve Ekonomi [State and Economy in the Ottoman Empire]*. Istanbul: Ötüken Neşriyat, 2000, 368 pp., ISBN 9754373388 (pbk), 15.50 YTL.

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Why did modern economic growth start in the West, and not elsewhere? What was it about England that made it home to industrialization? Questions such as these, which surround the origins of industrial capitalism, occupied a central place in the sociological studies of the 19th and early 20th centuries. Even today, these very questions continue to haunt social scientists, albeit in different ways.

As Pomeranz explains, older literatures – from the 19th-century classics of social theory to the modernization theory of the 1950s and 1960s – linked Europe's economic breakthrough to the fact that it embodied within its borders 'some unique homegrown ingredient of industrial success' (p. 3). In these earlier studies, the East is depicted as the polar opposite of Europe, and in many ways as inferior to it. Such arguments come in different versions. Some stress demographic variables such as birth rates and life expectancy (indicators of human capital) as an explanation of Europe's success; others argue that it was the structure of its institutions (i.e. markets for goods and for factors of production) that gave Europe advantage. Yet others find it in the cultural realm – in the 'rational' ideas, beliefs and attitudes about capital accumulation, growth or consumption that Europe diverged from the rest of the Old World in the 19th century. In most cases, these studies carry out a fair amount of backward-looking history writing, portraying industrialization as the 'natural' working out of various processes at work in pre-1800 Europe.

Writing history with a backward gaze is a risky business, however. In turning

the lumpy pieces of history into a story of western-led linear progress, 'one risks anachronism: confusing the analytic categories of the present with the native categories of the past' as Cooper explains in his fascinating book, *Colonialism in Question* (Cooper, 2005: 18). Perhaps even more important is 'what one does not see: the paths not taken, the dead ends of historical processes, the alternatives that appeared to people in their time' (Cooper, 2005: 18).

Aware of such problems, contemporary scholars have begun to undertake substantial steps to rewrite this history of the East–West divide in development. These recent studies pose a significant challenge to the modernist and Eurocentric positions that we find in some of the earlier literatures. The history of the East–West divergence, we now learn, was a lot more complicated and had as much room for contingency and unexpected outcomes as it did for rational thought and efficient institutions. Policies and actions that might seem 'irrational' today, we find out, seemed quite viable then to people who undertook them.

This essay reviews two outstanding examples of these more recent studies: Kenneth Pomeranz's *The Great Divergence: China, Europe and the Making of the Modern World Economy*, and Mehmet Genç's *State and Economy in the Ottoman Empire*. Both of these books have received much praise from their respective audiences since they were published.

In *The Great Divergence*, Kenneth Pomeranz revisits the historical origins of the East–West divergence, carefully and masterfully comparing the developmental processes of Europe and China in the 18th and 19th centuries. 'It is China, more than any other place that has served as the "other" for the modern West's stories about itself, from Smith and Malthus to Marx and Weber,' he explains (p. 25). *The Great Divergence* is his attempt to show 'how different Chinese development looks once we free it from its role as the presumed opposite of Europe and to see how different European history looks once we see the similarities between its economy and one with which it has most often been contrasted' (pp. 25–6). Comparing the most advanced parts in Europe and China (England and the Lower Yangzi Delta, respectively) as the most likely settings for a dramatic shift in economic possibilities, he shows that, contrary to common perceptions, there were no significant differences in the developmental prospects of these two regions in the late 18th to early 19th centuries (p. 24). If that is the case, why was it England (and later the rest of Europe) that achieved an industrial breakthrough, rather than China? This is the question Pomeranz deals with in *The Great Divergence*.

The book consists of three parts. In the first part, which is composed of two chapters, Pomeranz challenges various theories that 'Europe had an internally generated economic edge before 1800' (p. 16). Such theories, which see industrialization *not* as 'the point at which European economic history departed from other world trajectories', but as 'representing the full flowering of differences that had been subtly building for centuries', largely fall into two groups (p. 31). The first group, typified by the work of Eric Jones (1981) posits that Europe was endowed with more economic and human capital than other parts of the Old World even prior to industrialization. The second set of theories, most notable example of which is the work of Douglas North (1981), see the difference in the type of institutions that early modern Europe had, which remained more conducive to economic growth than those existing elsewhere.

Kenneth Pomeranz contests both of these arguments, arguing that there existed broad similarities among the most developed (i.e. commercialized and densely populated) parts of Europe and China. In Chapter 1, with a rich empirical back-up, he shows that Europe had an advantage neither in human nor in economic capital before 1800. Birth rates and death rates were similar in both places, and living standards were comparable. Pomeranz also shows the two core regions did not differ significantly in their basic levels of technology prior to the 19th century. There were some differences in their areas of technological strength: circa 1750 China had better agricultural technology, textile processing and fuel efficiency, whereas Europe had advantages in navigation and weaponry. However, these were not so significant as to lead such dramatic differences in development. Europe's technological superiority became evident only in the mid-19th century, and it sprang from post-1750 inventions (p. 44).

Later, in Chapter 2, Pomeranz turns to contest the argument that Europe had better (i.e. freer) markets. He compares laws and customs regulating the land, labor and product markets, and shows that as late as 1789 these markets were further from perfect competition in Europe than those in most of China.

In the second part of the book, Pomeranz moves on to deconstruct and contest yet another set of arguments: that there are significant differences in the 'ability and inclination of a minority of well-to-do households to accumulate capital and to stimulate economic change through changes in what they wished to buy' (p. 111). Here, he challenges two consumption-oriented theories – those of Sombart and Mintz.

In his work on early European capitalism, Werner Sombart (1967) argues that the changing patterns of consumption in early modern Europe – growing demand for luxury products in particular – created a fashion-dictated status system, which forced artisans and merchants to supply more of these luxury goods, which then led to industrialization. Sidney Mintz's (1985) theory, on the other hand, stresses the significance of popular consumption of small luxuries, especially 'drug foods' (sugar, tea and tobacco), in leading to increased demand for cash among ordinary people, and stimulating them to work more, which he believes in the end eased the way to industrialization.

Pomeranz proves such arguments false showing that consumption of luxury goods was at similar levels or perhaps greater in China. He further shows that it was industrialization and domestic food shortages in Britain that led to increased demand for luxury commodities like sugar, and not the other way around.

Having shown in the first two parts of the book that Europe was neither exceptional nor advantageous in terms of any major factor pertaining to development (demographic, economic, institutional, or consumption-related), Pomeranz begins to elaborate on what he thinks gave Europe advantage on the eve of industrialization in the third and last part of his book.

He argues that the core areas in China and Europe all faced major ecological bottlenecks in the form of land and energy constraints in the 19th century, and nowhere was particularly destined for an economic breakthrough. A combination of domestic and international factors as well as much luck enabled England to overcome these challenges and embark on a capital-intensive path of industrialization. Two major factors here were (1) the conveniently located coal reserves,

which, being near the core areas helped Britain escape its energy constraints more easily, and (2) Britain's coercive colonization of the New World, which served as a source of land-intensive goods such as cotton and grain, while at the same time providing a market for its manufactured goods.

In China, where coal reserves were not as readily available, and a policy of coercive colonization, which could provide it with free land, was absent, ecological constraints led to a turn to labor-intensive agriculture. Without coal and colonies, Pomeranz postulates, Europe would likely have followed the labor-intensive path also.

The Great Divergence is a fascinating book. It is well researched and well written. Through two-way comparisons on a range of factors, including human and economic capital, consumption patterns and institutions, Pomeranz brilliantly deconstructs and falsifies many of the existing convictions about the history of the East–West divide in development. His analysis does not have much room for cultural factors, however, and in this reviewer's opinion, this leaves certain aspects of the issue in shadow. To give an example, Pomeranz posits the absence of a coercive colonization policy as a major reason why China did not have access to free land and other resources found in the New World. However, he does not provide a profound explanation as to why such a policy was absent in the first place – which would probably require a cultural analysis of the sort Genç undertakes in *State and Economy in the Ottoman Empire*.

In *State and Economy in the Ottoman Empire*, Ottoman historian Mehmet Genç addresses another curious question: Why did the Ottoman Empire not make it? He offers a cultural account that stresses the economic worldview underlying the Ottoman Empire's developmental policies from the 14th to 19th centuries.

The scholarly interest in the Ottoman Empire has revolved around three questions, Mehmet Genç explains in his introduction to *State and Economy in the Ottoman Empire*. The first question concerns the Ottoman expansion in Europe (p. 39). How could it be possible for the Ottoman Empire to take over and control about 10 percent of Europe for such a long period of time, despite its obvious disadvantages with regard to physical and economic capital, energy resources and technology vis-a-vis Europe? (p. 39) The second question concerns Ottoman's territorial retreat from the continent. Ottoman expansion on the European continent slowed down with the 1683 Siege of Vienna, and came to an end within the 15 years following it. Ottoman presence in Europe continued for more than 200 years after this date, however. How could this be possible, in the face of industrialized Europe's economic superiority and strengthened political power (p. 40)? The third question is perhaps the most curious one: Why did the Ottoman Empire not learn from the modern economic processes that were at work in Europe and embark on a similar path of industrialization while its presence in Europe continued during all this period (p. 40)? Mehmet Genç's book essentially deals with this last question. It examines the attitudes and reactions of the Ottoman Empire to the industrial developments taking place in the European continent, and attempts to explain why the Ottoman Empire did not make it.

The book is organized in five parts. The first part is the most central to the book. It examines the state and economy relations in the Ottoman Empire and delineates the main principles of the Ottoman economic worldview from the 14th

century through the early 19th century – the so called *classical* era of Ottoman history. The arguments that are put forward in the first part of the book are further developed and discussed in the second and third parts. The last two parts are more peripheral to the book's main thesis. They entail a collection of the author's previous talks and articles on related subjects.

According to Mehmet Genç, during the classic period of the Ottoman Empire, state policies regarding economic life were shaped by three principles: *provisionism* (*iaşe*); *fiscalism* and *traditionalism* (Chs 1–4). A system concerned with ensuring product availability at affordable prices, *provisionism*, Mehmet Genç argues, remained the single most important pillar of economic policy from the 16th until the 19th century (p. 46). In the period under question, maintaining a large and consistent supply of goods in the urban economy was a priority. This had significant ramifications for the state's trade and production-related policy decisions, as well as its relationship with the merchants.

In pursuit of providing a viable environment for its provisionist policies, the Ottoman Empire exercised rigid controls on production and trade from the 14th through the 19th centuries (p. 46). Foreign merchants were welcomed and imports were encouraged through various privileges as they had the effect of increasing the supply of goods in the urban market, while the exports were discouraged since they had the opposite effect.

According to Genç, the second pillar of the Ottoman economic worldview was fiscalism. Fiscalism was aimed at increasing government revenues. In this pursuit, the state collected taxes from a wide range of economic activities, while at the same time attempting to cut its spending. Over time, Genç argues, fiscalism took on a very rigid shape in the Ottoman Empire, turning into a *fiscocentric* system viewing every economic action as a source of tax (p. 83).

The third pillar of the Ottoman economic worldview was traditionalism. A conservative worldview, traditionalism remained oriented to sustaining the social and economic relationships that existed among different groups in society such as merchants and peasants, as well as their relations with the bureaucracy. From this view, as Pamuk (2002) elaborates in his informative article, the 'rapid accumulation of capital by merchants, guild members or any other group was not considered favorably since it would lead to the rapid disintegration of the existing order' (p. 16).

These three principles served as a paradigm for Ottomans in their decisions regarding economic life. They provided them with a coherent understanding as to what constitutes good order, and enabled them to specify the policy instruments to be used.

According to Mehmet Genç, the reasons why the Ottoman Empire did not have an industrial revolution might be found at the ideational matrix of these three principles, which guided the economic life until the late 19th century. The Ottoman worldview, Genç argues, was not only closed to industrial capitalism but was also against it (p. 76).

A product of decades of archival research, *State and Economy in the Ottoman Empire* is an extremely important book. The book deserves criticism on one point, however. In building a parsimonious cultural theory of development, Mehmet Genç largely ignores the effect of various non-cultural variables (i.e. demographic,

institutional and economic) on Ottoman economic history. He neither incorporates such variables into his analysis nor engages in a discussion with theories that incorporate them. In the end, the reader cannot help but wonder – was it only because of these principles, which made up the worldview of its statesmen, that the Ottoman Empire did not have an industrial revolution? If not, the reader would like to know how the author would respond to various materialist explanations as to why the Ottoman Empire did not have an industrial revolution.

To conclude, both of these books are must-reads for historical sociologists and students of development. Written with much theoretical depth and empirical rigor, they will surely expand the horizons of historical sociology and force scholars to take more serious steps toward analyzing the history of the developmental processes on the eastern front.

Their importance lies not merely in their integrating the experiences of the East to the much-studied history of the East–West divergence, which was essentially written from a western perspective, nor in their potential to cast new light (and doubt) on the West’s stories about itself. More importantly, they enable us to have a better perspective to understand and evaluate contemporary questions embracing the developmental prospects of the East.

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Basak Kus is a PhD Candidate in the Sociology Department of the University of California at Berkeley. She works on questions of economic change and regulatory governance in Turkey and Eastern Europe.

Address: Department of Sociology, Barrows Hall, University of California, Berkeley, CA 94720, USA. [email: basak@berkeley.edu]