6. Conceptual issues

Topics and conceptualisation of themes

Even more than the sections covering 'period' and 'places' — whether regions or countries — this main section which seeks to analyse the contents of the *Journal* by topic is beset with problems of categorisation. No less problematical than deciding about the categories themselves, beyond certain obvious decisions, are the residual decisions, in many cases, about which entry should go into which category or categories. The scale of the listings means that analysis has to be organised through the creation of a computer file with categories determined, in the main, by the broad subject of the title, supplemented by keying in 'key words' which can be the means of identifying more specialist sub-categories. In principle — and for the most part operationally — this does not create a difficulty. It is to be anticipated, therefore, that entries will be replicated in various categories of ascending order of generality. For example, P.K. O'Brien on 'Transport and Economic Growth in Western Europe, 1830-1914' (*Articles,* Vo. XI, No. 20, pp. 335-368) is duly listed under 'railways' and 'economic growth' and also under 'trade'. It does not appear under 'industrialisation' (as it might have done, judging by other entries) or under 'transport', or under 'Western Europe'. J. Komlos, 'Austro-Hungarian Agricultural Development, 1827-1877' (*Articles,* Vol.-VIII, No. 1, pp. 37-60) features in 'trade', 'international trade', 'agriculture' and 'economic growth' and under 'Hapsburg Monarchy' but not under 'Austria' or 'Hungary'.

C.M. Cipolla's article, 'The Plague and the pre-Malthus Malthusians' (*Articles,* Vol. III, No. 2, 1979, pp. 277-284) is to be found under 'demography' but also under 'health', 'plague', 'Malthusianism' and 'Italy'.

For purposes of the present analysis I have sought to tidy up the file. This has involved eliminating double citations within the same category and amalgamating certain categories where the degree of overlap was very extensive and no gain appeared to result from maintaining a separate analysis. I have indicated such aggregations and eliminations where individual topics are being discussed. Undoubtedly the file could be revised with advantage to create greater consistency — inevitably individual inconsistencies have been incorporated in the print-out.

Multiple representation of topics, even if at different levels of aggregation, creates problems enough. The greater the extent of multiplication of entries the greater the possible distortion of the general pattern of distribution of topics and the greater opaqueness about drawing conclusions (apart from giving an exaggerated impression of the total number of items appearing in the *Journal).* The issue of double or triple identity of an entry being counted under the distribution by period and/or by place as well as by topic has been mentioned above: the concern here is to identify some of the problems of double or multiple entry within the listings of topics alone. It is partly a descriptive matter, but partly conceptual and methodological.

Specifying appropriate categories is itself problematical to a degree. Titles of articles, which must remain a principal means of identifying contents can be misleading, while 'key words' equally can be equivocal in their conceptual identification, either grouping disparate entries inappropriately or failing to acknowledge cognate topics. J. Goodman's article, 'Financing pre-modern industry: an example from Florence 1580-1660' (*Problems,* Vol. X, No.2, 1981, pp. 415-436) is recorded under a technical specification ('accomandita contract') but not under the differently headed, but very similar, category 'commenda contract'. It appears under 'capital demand' (i.e. capital formation), 'financial companies' and 'commercial companies' but not under 'merchants', 'trade', 'banking', 'industry' (in any categories), 'industrialisation', 'Florence' or 'Italy'. Such are the hazards of categorisation.

The problems of overlapping categories remain intractable. One topic shades into another, with potentially multiple manifestations. If

interpretations are to be discriminating and readers be led to identifying themes particular to their interests, then 'fine tuning' with many categories is required. This is impossible without complexity resulting. The nature of the complexity is such that it cannot be solved by imposing hierarchies upon the categories, so that the 'greater' will include the 'lesser' — the more generalised themes aggregating more specialised topics in their totals. The specialised topics themselves have to be separately identifiable so that such cross-entries also occur in more than one of the specialist themes. Because the degrees of difference are subtle and multi-dimensional a certain chaos (or indeterminacy) is inevitable in the allocations.

Exploring such attributes of the computer print-out in detail is bound to be tedious but the implications for the conclusions drawn from the analysis are important enough for the issue to be explored in some detail. To illustrate the general problem, which would be equivalently revealed in taking any other major theme such as 'agriculture' or 'methodology', we can take two different but related themes — trade and commerce, money and banking.

The headings directly relevant to or closely associated with 'trade and commerce' include the following:

Table 6: Index Categories relating to Trade and Commerce

Balance of payments	(4)	Italian merchants	(3)
Bills of exchange/payment	(4)	Pisan merchants	(1)
Book-keeping	(6)	Maritime contracts	(2)
Commandite contracts	(2)	Markets	(7)
Capital (foreign)	(16)	Merchants	(52)
Capitalism (commercial)	(1)	Protectionism	(10)
Commercial policy	(26)	Shipping	(11)
Commercial revolution	(4)	Tariffs	(14)
Commercial companies	(11)	Trade	(129)
Credit	(25)	Balance of trade	(3)
Credit market	(4)	Colonial trade	(6)
Economic policy	(107)	International trade	(104)
Fairs	(3)	3 sub-categories	(7)
Foreign merchants	(11)	Terms of trade	(4)

The 'fine tuning' of related categories within the general area of 'money and banking' results in an even more complex set of overlapping 'key words'.

Table 7: Index Categories relating to Money and Banking

Banking	(37)	Gold standard	(8)
Mixed banks	(1)	Gold bloc	(1)
Bills of exchange/payment	(3)	Inflation	(19)
Bimetallism	(1)	Insurance	(3)
Capital formation	(12)	International houses	(1)
Central banks	(18)	Lender of last resort	(1)
Cheques	(1)	International loans	(1)
Coinage	(5)	Monetisation	(1)
Finance companies	(15)	Monetary policy	(33)
Financial concentration	(1)	Monetary unions	(1)
Foreign capital	(16)	Money	(23)
Conversion	(1)	Money circulation	(1)
Credit	(28)	Money of account	(1)
Agrarian/rural credit	(2)	Money supply	(2)
Currency	(10)	Quantity theory	(1)
Exchange rates	(19)	Price revolution	(7)
International		Silver	(10)
Financial systems	(1)	Tontines	(5)
Gold	(16)	Usury	(4)

It will readily be seen that some of the categories in each of these two lists could appropriately be found in the other, while others — such as economic fluctuations (23 entries) or capital formation (12 entries) — might be judged relevant to either list. Similar complexities surround a major social history theme such as 'demography' — which extends to health, disease, plague, consumption, inflation and the like — or 'labour' which extends to embrace trade unions, employment, wages — or, indeed, all major themes itemised. A debate about the 'price revolution' of the sixteenth century must needs cover the potential monetary causes ('gold', 'silver', 'currency', 'quantity theory', 'inflation', 'money', 'prices' etc.) and the potential demographic causes ('demography', 'labour', 'wages' etc.)

In the first example taken above, problems of duplication are strongest between the most general category of 'trade' (129 entries) and 'international trade' (104 entries) where the repetition is almost complete. Under 'commercial policy', with 26 entries, only five are not also found under 'trade'. Inevitably replication is plentiful between the categories 'trade' and 'merchants' where 38 out of 52 entries are repeated. All 'foreign merchants' are to be found aggregated under 'merchants' and where, until the nineteenth century, most bankers had developed financial transactions on the basis of commercial activity, 'bankers' and 'banks' coalesce with 'trade' and 'merchants'.

Equivalent duplications are to be found amongst the larger categories in the group headed 'money and banking'. Almost no duplication exists between 'banking' (37), the 'credit market' (4) and 'monetary policy' (33); but all the 'gold standard' items (8) are included under 'gold' (16) and all those under 'gold' except one are listed under 'money' (23). Most of the 'currency' items are also under 'money' or 'monetary policy' and all the 'central banking' entries (18) except one are in the 'monetary policy' list. Key words such as 'gold' (16), 'silver' (10) have quite different connotations according to the context — embracing a wide range from precious objects, luxury, consumption, mining, to monetary topics such as inflation, money supply, and roles as bullion in international trade between Europe and the Americas, the Far East and in the Baltic.

The intention of this commentary about categorisation, in advance of the substantive analysis, is not to complain against the complexity as such, or the replication of individual items in different categories. Any form of categorisation contains a balance of advantage and disadvantage; different groupings create their own 'boundary' problems, resolving the difficulties created by other schema but inescapably imposing limitations of their own. The relations between 'sub-categories' and between 'sub-categories' and major themes also internalise some difficulties as they resolve others. In certain instances I have felt that the present scheme of categorisation in certain particulars sets up difficulties which outweigh the advantages, as

when there is almost complete duplication between the entries in more than one major theme or when the distribution produces a very large number of single-entry categories. The latter builds in the disadvantages by approximating to a disaggregated index of individual items. If the contents are to be analysed with a view to discovering trends and distributions — and this is the main object of the exercise — then aggregating items into categories is inevitable and the problems of the choice of categories, the interrelationships between categories, and which entries go into which categories start from that point. There is no absolutely correct way of resolving the problems because all choices have some undesirable consequences, when judged against the criteria of the original intention of the analysis.

The rules of the game are therefore simple in principle: to choose the major categories with a view to revealing the most significant issues; to identify subordinate themes within the major categories, again with a view to their strategic interests; then to be clear about the consequences this has as far as the replication of entries is concerned and how this will affect the conclusions to be drawn. Given the distribution of categories and entries in the original 'print-out', I took the decision to re-aggregate the items in certain of the categories, in the interest of simplifying the analysis and making the distributions more prominent. Clearly, a consequence of re-aggregating has to be to eliminate the double or multiple presence of individual items within each of the new categories: if one simply added the numbers in each category together, double counting would be compounded. The original print-out has been scrutinised to purge such replication wherever the original categorisation has been changed and this is made clear in the substantive discussion which follows. So that readers can draw their own conclusions and assess for themselves the advantages and drawbacks of the system of classification employed, it is essential to set out clearly the procedures which have produced the results recorded in the tables.

Any index construed into categories inevitably raises issues of conceptualisation in relation to the meanings which have conventionally

become attached to certain names and topics. The question does not concern semantic identification alone but how theoretical and methodological issues have established different conceptual identities beyond the normal usage of the words and terms in question. Apart from discussing individual cases in the thematic sections which follow, it may be advantageous to consider the issue in more general terms in advance.

Significance can be given by the conceptual schema in which an empirical historical phenomenon becomes placed, whereby special meaning is designated to words often used and given a meaning without invoking the particular methodology. One may remark, in parentheses, that whenever an empirically denominated noun or adjective has '-isation' or '-ism' added to it that is a sure sign of conceptualisation (sic!). Although there is an argument that conceptualisation is a pre-condition for giving empirical data significance by relating them to a comprehensible structure or process, by the same token the move from the empirical to the abstract also opens controversy. Controversy is about meaning, once the 'facts' are established.

We can take several examples from the *Journal* in illustration. 'Feudalism', under which 21 entries are listed, is a prime example. Many more entries concern rural society and social relationships in the Middle Ages and the early-modern period in Central and Eastern Europe than are to be found under the 'feudalism' category. These are listed elsewhere because they do not primarily concern the issue of feudalism as a system or as a stage in the evolution of European society. In fact, certain articles entered under 'feudalism' also concern empirical data more than being construed in relation to the conceptual schema of 'feudalism', although adding material relevant to that issue (e.g. 'North Western Slavs in Baltic Sea trade from the VIIIth to the XIIIth century', *Articles*, Vol. VIII, 1979, No. 1, or 'Champion and Woodland Norfolk: the Development of Regional Differences', *Problems*, Vol. V, 1977, No. 1; 'Bringing in the Sheaves: Managing Church Property in Southern France, 1568-1590', *Problems*, Vol. XI, 1982, No. 1.) 'Feudalism' as a concept has given rise to sustained conflicts of interpretation both for its manifestations

within Europe, and — possibly even more so — for equivalent relationships in non-European contexts. It is not within the remit of this survey to attempt to resolve the substantive arguments concerning the nature of 'feudalism' but to identify this specific category of article contributing to the conceptual debate (e.g. 'The «feudal» economy and capitalism: words, ideas and reality', *Articles*, Vol. III, 1974, No. 3; 'Lords and Peasants: a Re-appraisal of Medieval Economic Relationships', *Problems*, Vol. XV, 1986, No. 1; 'Property Rights, Institutional, Change and Economic Growth in Southern Italy in the XVIIIth and XIXth Centuries', *Articles* Vol. VIII, 1979, No. 3.

'Mercantilism' raises an analogous set of issues when comparing the empirical with the conceptual, construing piece-meal data into a schema. For the early-modern period this proved to be a classic historiographical controversy in the 1950's and 1960's, to be overtaken by 'proto-industrialisation' during the past 20 years. The term became generalised to include almost any form of state intervention to control the operation of a 'free' market — whether overseas trade, internal industry and agriculture, and for motives which ranged from securing inflows of bullion, protecting the balance of trade and payments more generally, fiscal imperatives in public finance, the control of colonial economies, protecting and enhancing employment levels, together with other aspects of 'state building'.

Several of these objectives feature in the seven articles listed under 'mercantilism' as a separate category but many others are to be found amongst the 114 listings under 'economic policy' (e.g. 'The launching of an «infant industry»: the cotton industry of Troyes under protectionism, 1793-1860', *Articles* Vol. X, 1981, No. 3) and others under such categories as 'state intervention' 16 citations, including e.g. 'The Royal Manufactures and Economic Progress in France before the Industrial Revolution', *Articles* Vol. IX, 1980, No. 3); 'The Public Sector and Economic Growth in Eighteenth-Century Spain', *Articles* Vol. VIII, 1979, No. 3; 'An Industrial Momentum achieved in the Hapsburg Monarchy', *Notes* Vol. XII, 1983, No. 2); 'tariffs' (17 citations) and others such as 'protection' — quite apart from the relevant aspects of many articles covered by the extensive categories of

'merchants', 'trade', 'international trade', 'industrialisation' etc. This emphasises the conceptual difficulty long recognised by historians that 'mercantilism', with progressive usage, became a concept so all-embracing in its coverage of empirical data as to cease to be discriminating enough to use usefully. Much the same sequence took place with 'feudalism'.

Fewer conceptual problems arise with the distinction between 'urbanisation' as a category (with 5 citations) defining the substance of articles and 'urban history' with 25 — or the many others concerning towns in relation to trade, industry, legal status and other aspects of their empirical reality. 'Urbanisation' encompasses the study of towns and urban growth as a process, and its relationships with such developments as literacy and demographic mechanisms. 'Urbanisation' leads forward to progressive conceptualisation when considered as a comparative phenomenon. On the basis of the quantification of urban growth and changes in urban structure undertaken by Jan de Vries and Paul Bairoch (the latter's work represented in the *Journal* by 'Urbanisation and the Economy in Pre-industrial Societies: the fundings of two decades of research', *Articles* Vol. XVIII, 1989, No. 2), general 'models' of urban growth can be established. The bibliography of economic and urban historians joins that of geographers who have been much concerned with such analyses, but they have not found a presence here. The two historiographies remain largely distinct.

'Multi-national' is one equivocal term designating a business firm or company or enterprise. Clearly, the phenomenon of business having a base of operations in more than one country is extremely widespread both over time and context. It could be argued that virtually all merchants in foreign trade were in this position, having regular agents in different countries (or city states) where their trading relationships had developed, if not their own offices with servants or partners or members of the family belonging to the firm. Examples span the continents and all chronological periods. Francesco di Marco Datini had agents and correspondents with depots across Europe from his headquarters in Prato in the late fourteenth

tury. The Fuggers operated on a much more extensive scale, with more permanent European-wide bases, in the sixteenth century. Merchant colonies of the Hanse in north-western Europe were mirrored in Venetian trading colonies in the Levant. The East India Companies of various European countries — the Netherlands, Denmark, France and Britain being the most prominent — covered South East and South Asia from China to the Spice Islands, from India to Persia and the Cape of Good Hope with their settlements. Equivalent international networks spread over the North Sea littoral (exemplified by resident groups of Dutch merchants in London and Topsham, in Devon, and Scottish Merchant Venturers in Veere). The Merchants of the Staple in the Middle Ages and the Merchant Adventurer companies in the early-modern period were nothing if not multi-national. The Dutch banking colony in London in the late seventeenth and eighteenth centuries translated commercial connections into financial (as had the Fuggers before them and the Rothschilds after them) while maintaining dual- or multi-country operations. The same happened with transatlantic trading and banking links in the eighteenth and nineteenth centuries, formalised in merchant banking houses such as the Barings or the Hopes.

The examples are legion because this was a generalised phenomenon in European and world-wide commerce and its financial linkages. And yet, empirical reality notwithstanding, the term 'multi-national' has a conceptual identity when used by business historians which is distinct and specific — standing apart from the diversity of historical example. In its conceptual and analytical identity 'multi-national' is conceived to belong to the business phenomenon of the late nineteenth and twentieth centuries, particularly with industrial and manufacturing firms operating in the world market. The trend was led by American companies, more prominently, but with British and contintental European countries following suit. Singer, Kodak, Ford, Standard Oil, Du Pont, Lever, Courtauld, Nestle, Phillips, are typical names.

The routes to 'multi-national' operations and identity as a multi-national company were various. Overseas sales could lead to

the establishment of depots, warehouses, investment in shipping and transport. The demands of selling mechanical equipment effectively could require a local presence and skilled provision in all the main markets for assembly, adjustment, repair, maintenance, spare-parts, distribution and the like. Advertising and 'branding' made a direct presence of the firm commercially attractive in marketing. An equivalent logic could lead to overseas commitments for the supply of raw materials — in mining, oil exploration, plantations for such commodities as vegetable oil, bananas, tea. The meat trade attracted vertical integration from ranch to slaughter house, packing plant, rail and shipping investment and distribution chains in ultimate markets, sometimes down to the ownership of multiple retail outlets. Vertical integration could also move 'upstream' from multiple retailing companies, once they developed mass-scale in operations, as well as 'down-stream' from oil, mining and manufacturing firms.

An organisational and logistical imperative lay behind these developments, which were particularly prominent only in certain fields, designed to capture productivity and cost gains. Assurance over the security of supplies, effective control of through-put and safeguards over quality and pricing brought enormous gains where decision-making could be co-ordinated. Scale of output, distribution and/or sale was one regular feature of the success of multi-nationals, and new technologies were often, but not always, a basis for their development. Multi-national firms have grown more prominent in the world economy as the twentieth century has advanced. Despite conflicts of interpretation over the criteria required to be present when accepting the designation, there is rough-hewn conceptual agreement amongst most modern business historians, for whom the development of the multi-national corporation has become a principal subject of research.

The historiography of the 'multi-nationals' becomes ever more conceptualised. Histories of 'the firm' — often, in effect, several hundred different subsidiaries and associated enterprises decentralised in different degrees according to the different contexts in which they operate, but nevertheless under effective central

strategic control — are to be seen as one component in a wider analysis which seeks to make 'systemic' generalisations about the operation of multi-national companies. They are seen, increasingly, to characterise the operation of the international economy, giving the second half of the twentieth century a distinctive mode of organisation and operation through a new global capitalism. Such critical determinants of change in the international economy as innovation, the diffusion of technologies, productive investment and capital flows, changing employment patterns, consumption trends are seen as responding to the dynamic of the multi-national company system.

This excursus into the historiographical identity of 'multi-nationals', in contrast to other forms of business which operated across national frontiers in earlier centuries, has important explanatory value for appreciating the categorisation by subject of articles in the *Journal*. In this instance only five articles are identified under the 'multi-national' heading whereas over 100 concern international trade and many more particular aspects of international enterprise such as commercial companies (11), merchants (52), colonial trade (6), fairs (3) and the like.

A further example of the differentiation of categories according to conceptual, analytical schema in contrast to empirical descriptive entities which is of great importance in the historiography of the early modern period concerns 'proto-industrialisation'. This features as the theme of nine articles compared with 73 listed under industrialisation and others in the categories of specific industries (which cover 19 sections). Many concern the growth of industries in the early modern period. Analogous differences characterise distinctions between 'proto-industrialisation' and the growth of industry, as with the distinction between 'multi-national' enterprise and firms operating internationally. The conceptual identity of 'proto-industrialisation' derives from a justly famous article of Franklin Mendels published in the *Journal of Economic History* in 1972, which both brought the concept to birth and christened it. From this inception a vast progeny of published research has come into existence, elaborating,

systematising, conceptualising in more elaborate ways — and ultimately challenging the conceptual superstructures erected. Many earlier studies had investigated the growth of rural industries in early-modern Europe — and, indeed, in late medieval England but not construing the empirical data and documenting their evolution into a wider schema, a more generalised dynamic.

The criteria of 'proto-industrial' growth were specific: production was in the form of artizan handicraft technology for the most part — but mill power was an ancilliary for certain processes both in textiles and in the metal industries — in a production context of the household or small workshop. Output was market-orientated for sale beyond the locality of production. The context was thus that of 'commercial capitalism' not one of local self-sufficiency in a non-market — or 'pre-market' — context, following some 'stages of growth' theories of historical evolution. Moreover, the dynamic was not alone economic but integrated social, demographic and legal parameters. The opportunity of offering employment at a level higher than that which could be sustained by local agriculture or manufactures and service functions confined to the locality meant that new households could be formed, more marriages contracted. Demographic expansion was sometimes also encouraged by lower ages of marriage, and an expansive sequence generated through the integration of this social and industrial momentum. Specialisation of functions within the household economy, integration of activity over the seasons between work on the land and processing work in 'proto-industry' in many different forms produced an intricate equilibrium for such local communities exploiting commercial opportunities, largely traditional, basic technology and family/household structures in a new matrix. 'Proto-industrialisation' thus called for the integration of social, demographic and economic history; nor could the local institutional, political and legal dimensions of the context be ignored.

The archetypal 'proto-industrial' study has been an exercise in '*histoire intégrale*' but for a limited area, the microcosm reflecting a macrocosmic process. In this way the concept of 'proto-industrialisation'

has transformed the old-style amateur antiquarian tradition that had long characterised local history. The result, however, has been to remove research and publications in the field of 'proto-industrialisation' from the traditional thematic, subject specialisations of economic, industrial, technological, demographic, family and social history. Integrated analysis has transcended such disciplinary boundaries and conventions, which has consequences for the categorisation of articles in the *Journal*. One article explores the relevance of the 'proto-industrialisation' phenomenon for the contemporary 'third-world' context, a theme which the World Bank took up in connection with 'intermediate technology' (M. Assenbacher, *Debates* Vol. XIX, 1990, No. 3), and another the existence of the phenomenon in Eastern Thessaly under the Ottoman Empire (S.D. Petmezas, *Articles* Vol. XIX, 1990, No. 3).

The concept of 'proto-industrialisation'was further elaborated through claims tht it could be generalised as a separate 'stage' in the historical process of economic evolution and universalised as a pre-condition — or run-in — for the process of industrialisation proper. The articles by Prof. P.K. O'Brien and Prof. E. Schremmer discuss these wider issues ('Do we have a Typology for the Study of European Industrialisation in the XIXth Century ?', Vol. XV 1986, No. 2, and 'Proto-industrialisation: a step towards industrialisation?', Vol. X, 1981, No. 3). Together with other critics (notably Professor D.C. Coleman who argued that proto-industrialisation was a 'concept too many' in the *Economic History Review* in 1985) these more expansive historiographical claims have been challenged on various grounds; much 'proto-industrial' growth atrophied in different contexts; some 'proto-industrial' growth in rural contexts took place in the medieval period (raising problems of chronology) and 'proto-industrial' developments did not monopolise the paths to industrialisation in the European and North American contexts.

'Industrialisation' — as distinct from 'industry' and the categorisation of different individual industries — raises a related problem of identity amongst the articles in the *Journal*, as it does more

widely. Unlike 'proto-industrialisation' as a category, however, 'industrialisation' — with the large total of 72 articles within it — is here cast in widely embracing terms, and to this general category should be added the extra 50 articles cited under individual industries ('proto-industrial') entries are also included in these sections . The generic nature of these contributions varies greatly. Some concern instances of the growth of specific industries in specific locations in many countries in periods which range from medieval times to contemporary history. Such 'pointilliste' individual instances have their own intrinsic significance and can also be considered as piece-meal evidence contributing to the understanding of industrialisation as a more general process. Other articles cover national case-histories of industrialisation as a development with a momentum wider than that of a single industry or a single locality — and these offer the same potential dual significance of their intrinsic empirical importance and their relevance to the wider understanding of industrialisation as a general process. Widening the focus of analysis in another dimension are the articles which explore contingent aspects of industrialisation — the growth of banks in relation to industry, the role of the agricultural sector during industrialisation, the dynamic relationships between foreign trade and industrialisation, literacy, technology, trades unions, the contribution of transport developments; together with articles which explore the consequences of industrialisation for such issues as the standard of living and the fate of the non-industrialised 'third world'.

These wider themes, implicitly, or explicitly, involve assumptions about industrialsation as a process, which inevitably leads to the question of its conceptual identity and its role in the process of historical change in the widest sense of the evolution of human economy and society. The *Journal* has not provided a proving ground for full-blooded confrontations between proponents of different methodologies. Over the past 20 years, for example, as long before, the Industrial Revolution in Britain became a *cause celèbre* in such controversies, raising fundamental issues about industrialisation as a process. Prof. P.K. O'Brien addressed these issues in the context of

European economic development and there was a small flurry of protest about the methodological crux of a single-cause explanation for a complex historical phenomenon (F. Geary, *Debates*, Vol. XIII, 1984, No. 1; K. Bruland, *Debates*, Vol. XIV, 1985, No. 1; I. Inkster, *Debates*, Vol. XVII, 1988, No. 1 and Vol. XII, 1983, No. 3). The wide issues were taken up in speculative ways (e.g. J. Komlos, 'Thinking about the Industrial Revolution', *Debates*, Vol. XVIII, 1989, No. 1; L.G. Sandberg, '...variations on Alexander Gerschenkron's Grand Theme', *Problems*, Vol. X, 1982, No. 3; G. Mori, 'The Process of Industrialisation in General and ... in Italy; some suggestions, problems and questions', *Articles*, Vol. VII, 1989, No. 1) and with quantified international comparisons concerning the results of the process (P. Bairoch, 'International Industrialization Levels from 1750 to 1980', *Articles*, Vol. XI, 1982, No. 2).

The term 'Industrial Revolution' has been resonant with methodological and conceptual controversies, but the most recent proponents, such as David Landes and Joel Mokyr challenging Rondo Cameron, have not taken this particular battle to the pages of the *Journal*. However, all the main issues are still to be found there. Is the Industrial Revolution locatable in a specific time and context according to criteria such as the beginning of new long-term trends in higher rates of growth and structural change? Did the Industrial Revolution — or the onset of the process of industrialisation — represent a 'great discontinuity' in human history; or was the process gradual, diffused (at least across Western Europe) with long historical roots which defy periodisation? Is it misleading to seek to understand the process — and to measure it as a national phenomenon — or should it be conceived as a regional or international process? How was the dynamic of industrialisation responsive to, or integral with, non-economic variables, such as social, cultural, legal and institutional phenomena? Did all countries follow the same path, if at different times, to industrialisation or were sources of momentum fundamentally different? Is there an agreed typology? How much validity has the concept of 'core' and 'periphery' when the process is analysed generally? Was Britain unique? Was it a 'European miracle' and, if so, why?

Impacting upon these great debates have been more methodological innovations which have changed perceptions and the mode of analysis. These have been well-represented in the *Journal* and can be appropriately considered at this point.

The Journal and the New Economic History

Any discussion of conceptual issues in recent economic and social historiography, as reflected in contributions to the *Journal,* raises the question of the 'new' economic history, so called, or indeed the 'new' social history. This is far from being a specific entity — the application of a single methodology or a specific statistical technique or a particular concept — so that the identification of the 'new economic history' and its reception in the pages of the *Journal* is not straightforward. Methodologies and the application of statistical techniques, which characterise in a loose sense the 'new' economic history usually served a conceptual schema which means that new ways of thinking, new objectives and new research methods were all common features of the new approaches.

The application of formal techniques from economic theory and econometrics was one characteristic. American scholars led these innovations, christening research utilising econometric techniques as the 'new' economic history in the Purdue University seminars from 1967 onwards. 'Americanisation' became a further characteristic through the application of 'neo-classical' methodology identified with the Department of Economics of the University of Chicago (from which vantage point R.W Fogel made the most influential single contributions to the 'new' economic history). It was not accidental that the teaching of modern economic history in North America was usually located in departments of economics rather than history, whereas in Europe the institutional affiliation was usually with history and humanities (or, in the British case, also in separate departments of economic history or economic and social history). The 'culture' of American economic historians was thus orientated more towards the

social sciences than the humanities: the norms of intellectual status tended to be set by the economists and econometricians in such a context. Economic historians were often considered to be applied economists working on historical data-sets.

A common feature of the 'new' economic history's methodology is to make assumptions explicit and then to seek to test them quantitatively by way of econometric and formal statistical technques. The 'narrative' tradition of old-style history, with generalisation supported by piece-meal illustrative detail chosen to give verisimilude to an argument essentially based on assertion, contained hidden assumptions which were never made explicit. No tradition of a methodologically adequate testing of such empirically supported, innately-held explanations for change existed: indeed the concept and techniques for such testing were absent from that intellectual *Weltanschauung*. Theories could lose validity when judged by 'common sense' or 'innate' interpretation of empirical evidence: more commonly they were confronted by opposing hypotheses, also supported by a — different — selection of piece-meal data in the same style. The more widely embracing the historical phenomenon being identified and explained the more inexorably was this the case.

The new methodology sought to make the terms of analysis explicit. Variables deemed to influence the process of change under investigation had to be specified. A model incorporating their potential modes of interaction could then be devised. On the basis of the model data for each variable could be mobilised, where quantifiable, and the degree of significance of each variable assessed by applying statistical technques of correlation and regression. The quality of the data could also be tested by statistical techniques. Quantification — with the analytical techniques which systematic quantification made possible — was of the essence but quantification came in the service of a methodology and a conceptual schema.

These general and basic methodological characteristics were discussed in the first volume of the *Journal* by J. Topolski, 'The Model Method in Economic History' (*Debates,* Vol. I, 1972, No. 3); and then, shortly afterwards, by several others: E.H. Tuma, 'New

Approaches in Economic History and related Social Sciences' (*Debates,* Vol. III, 1974, No. 1); D.J. Loschky, 'What's happening in the New Economic History' (*Debates,* Vol. III, 1974, No. 3); A. Fishlow, 'The New Economic History re-visited' (*Debates,* Vol. III 1972, No. 2); L. Bulferetti, 'Towards a Historical Technometry', (*Problems,* Vol. IV, 1975, No. 2); A.W. Coats, 'The Historical Context of the "New" Economic History', (*Problems,* Vol. IX, 1980, No. 1). Coverage in terms of methodology thus came early and effectively. However, substantive articles on the two main topics upon which the new research method had focused, and which had gained them most recognition — railways and slavery — were lacking, except for two contributions reviewing the impact of the debate and its implications for the European context (C.M. White, 'Railroads and Rigour', *Debates,* Vol. IV, 1975, No. 1 and P.K. O'Brien, 'Transport and Economic Growth in Western Europe, 1983-1914', *Articles,* Vol. XI, 1982, No. 2.

R.W. Fogel and A. Fishlow were the leading economic historians applying a specific methodology which sought to measure — in a quantitative sense — the contribution of railways to the growth of the American economy in the nineteenth century. Their work set in train a wholly new mode of research in transport history in many countries.[1] R.W. Fogel and others also applied an equivalent methodology to measure and assess the economic role of slavery in the United States. Out of this was born a consuming methodological interest in 'counterfactuals', reflected in the *Journal,* so the issue is worth elaborating briefly (S. Fenoaltea, 'The Discipline and They: Notes on Counterfactual Methodology and the 'New' Economic History' *Debates,* Vol. II, 1973, No. 3; D.J. Loschky, 'Counterfactuals in Logically Formed Analysis', *Debates,* Vol. II, 1993, No. 2. See also A. Fishlow, *op. cit.*).

The technique, adopted from welfare economics, was to apply 'social savings' methodology to historical data. At the heart of this lay

[1] R.W. Fogel, *Railroads and American Economic Growth* (1964); A. Fishlow, *American Railroads and the Transformation of the Ante-Bellum Economy* (1965).

a simple 'counterfactual'. The extensive old-style historiography on the role of railways in the American economy was unanimous on two issues: that railways were instrumental in the development of the American economy, as the 'leading sector' or the critical instrument of growth, together with a total absence of demonstrable proof of that proposition, except for a flood of piecemeal statistical data of the amount of goods and number of passengers carried, capital invested, labour employed and the like. This was assertion rather than proof and the propositions rested upon the 'counterfactual' of 'what *would* have happened in the absence of the railways'. If this could be measured then the net contribution of the railway would potentially be revealed. The master stroke of the 'social savings' methodology, and its profound importance as an exercise in method, whatever the difficulties of carrying the exercise through to a comprehensive analysis, was that it offered exactly this opportunity.

The argument runs in parallel to the more general claims of the 'new' methodology, which is designed to enable variables impacting on the process of change to be specified and the mode of their interactions identified, with the aim of discovering the relative contribution of each to the aggregate process of change. The methodology, in principle, puts 'traditional' historians on the defensive by placing on them the onus of an alternative proof. They make presumptions about causal factors — consciously or unconsciously — but do not specify the significance or the irrelevance of each; nor can they in the absence of a methodology on their part which offers a model for testing (where variables are quantifiable). Equally with 'counterfactuals': 'counterfactuals' are implicit, whether recognised or not, whenever a judgment is made by way of the most traditionalist of historical methods. Seeking to explain anything or asserting that anything was 'significant' in influencing the process of change is to imply that, in the absence of that factor deemed significant, the historical outcome would have been different. But beyond the level of assertion (supported by a commonsense empiricism) how could this be demonstrated as correct? Would the outcome have been different (in the short term or longer)? And exactly *how* different would the outcome have been? Some issues of this sort

are impossible to quantify and therefore impossible to calibrate in modes which do not just put an arbitrary set of numbers on a purely subjective hunch (which is simply dressing up the old historiography in the clothes of the new) — the influence of an individual on events would be an example; or the changed outcome of a war. The same indeterminacy would remain with the explanation of any widely-structured historical change — such as the fall of the Roman Empire, the Renaissance, the 'failure' of dynastic China to industrialise — even the causes of industrialisation in the West. The variables are too numerous, and too heterogenous to construe into the linearity required for modelling an econometric quantification. But the more limited the issue, the more purely economic and measureable are the variables concerned, the narrower the time-period over which the analysis is to be carried out (so that institutional and contextual aspects, such as market and legal structures, can be assumed to remain constant) then the greater the possibilities for the new methodology and the potential calculation of 'counterfactual' situations.

In the case of the *Journal* the great American debate on the profitability of slavery as an economic system in the eighteenth and nineteenth centuries is almost entirely absent — doubtless because this was not an issue for the European historical context and so did not attract substantive research which was of relevance for the *Journal*. This being so it would be inappropriate to discuss the methodology and quantification involved in any detail. The intricacies and sophistication of the conceptual apparatus and the measurements required (involving archival research on a scale fully comparable with the primary documentation demanded for more traditional historical research) were, if anything, greater than that deployed for the calculation of the 'social savings' produced by railways. Detailed calculations were required with the productivity of slave labour in comparison with free labour. The calculation of 'value added' meant costing all main inputs into the slave system (feeding costs, clothing, housing and other costs) as well as outputs; the consideration of capital values embodied in slaves (and the earning capacity of that capital in alternative investments); nutrition and health standards behind slave output; the demography of

slave families and the like. The 'input' side of free labour, on the other hand, can be largely subsumed in wage costs. Both 'output' and 'input' measurements are governed by prices which have to be taken as proxies for 'real' costs.

The basic assumption, therefore, has to be that the market system creating these prices is in competitive equilibrium, without distortion for monopoly elements or 'quasi-rents' in the prices concerned (whether commodity prices, profits or wage and capital costs). In many empirical contexts this is, of course, an heroic assumption, but further techniques can be applied which seek to measure and offset such distortions and, in any case, the use of prices has to be a pre-condition for undertaking the analysis in the first place. Indeterminacy in this particular regard (as well as coming from considerations outside the variables embodied in a model) have rendered many essays on historical 'cost-benefit' analyses and counterfactuals important more as exercises in method than as revelations of a 'scientifically'-provable, objective truth of empirical reality.

Many of these observations apply to the 'new' economic history of the railways which produced the most famous 'counterfactual' propositions to date. Seeking to measure the contributions of the railways to economic growth required estimating what would have happened to the growth of the economy in the absence of railways and then measuring the difference between that putative figure and what had actually happened in the economy into which railways had become incorporated. This estimate of 'social savings' could then be compared with the size of G.D.P. and the rate of growth. The actual technique was to cost the actual traffic flows of passengers and goods by the prevailing prices of pre-railway transport media before either volume or price was affected by the existence of railways. Then taking a reference-point year when the railways had become established, the actual flows of passengers and goods carried by the railways are costed at the prices prevailing in the original year for road and water-carriage rates (i.e. not incorporating gains in productivity during the intervening years). The assumption then is that this would have been the costs imposed on the economy in the absence of railways and that

the difference in costs between what actually happened and the 'counterfactual' economy without railways represents the 'social savings' — the net benefit the economy derived from railways and thus their quantified contribution to the economic growth which occurred.

This is a basic counterfactual but much elaboration then becomes possible, given good statistical coverage of the various constituents of the national income and product (sectoral distributions of value added, differential productivity rates, distribution of the labour force, distribution of capital investment across the sectors, various elasticities, rates of return etc.) — and also large computing capacity. For example, the capital sums which were, in fact, invested in the development of the railway system could be putatively re-allocated in extending canals and improving roads, and this further 'counterfactual' with its effects on transport costs, employment, demand in capital goods industries in 'income raising' flows (discounting the effects of monopoly elements in prices, financial transfers etc.) used to calculate the net effect of the railways in a more sophisticated sense. Further elaboration of 'counterfactuals' are possible concerning other factors, such as the re-distribution of the labour force; the effects of removing railway demand on the capital goods industries (including assumptions about the effects via economies of scale and productivity rates). R.W. Fogel took the counterfactual analysis further down these paths than A. Fishlow, the other principal contributor to the debate on American railways, or G.R. Hawke, who analysed the contribution of the railways to economic growth in England over the period 1830-1865 in a similar mode.

The challenges to the methodology of the 'new' economic history expressed through the claims of 'counterfactuals' are formidable. They can only be mounted by those with the formal econometric, mathematical and statistical expertise to do so. This is not the place for such a critique. However, the discussion would not be complete without a brief review of the difficulties, divided between those which are endogenous to the methodology and those which lie outside its expressed terms of reference.

As already discussed, a central problem concerns the use of prices as proxies for costs, together with the necessary assumption that the economy was an 'efficient' market system operating in terms of competitive equilibrium, with prices reflecting marginal costs and 'normal' profits. This basic assumption of neo-classical theory enjoyed much greater credibility for the operation of the Chicago commodity exchanges in the nineteenth century than for transport — notorious for market imperfections, monopoly influences and quasi-rents, state regulations and the like which influenced all the primary attributes of the transport system from the sale of land, the provision of capital and the supply of material for its construction, and then in its subsequent operations. The necessary assumption that the same volume of goods and passengers *could* have been carried on road and water in the absence of railways, and what effect this would have had upon transport costs and prices if it could have been done, must remain indeterminate. How feasible would the extension of the road and canal network have been, and at what cost? Is it possible to track through the indirect effects of railways demand on the capital goods industries, the labour market, the capital market as far as their trends in costs and productivity are concerned? Are not attempts to do this just putting arbitrary numbers into the equations?

The calculations concerning the capital goods industries, for example, commonly make the assumption, for the purpose of trying to calculate economies of scale, productivity and the like that the level of output of these industries in the absence of railway demand is to be found simply by deducting from the actual totals of production the total contracts supplying railway demand: that, if railway contracts covered e.g. fifteen per cent of the output of the iron industry then, in a non-railway economy (short of making other assumptions) the output of the iron industry would have been 85% of what it, in fact, was. This was always a simplification, by assuming homogeneity in the iron industry whereas railway demand — concentrated upon cheap castings and basic rolled iron — impacted upon a highly differentiated industry. But the main weakness is that the assumption ignores all the *indirect* effects of the growth of the railway system on the iron industry. For

example, railways encouraged urbanisation, which would have proceeded more slowly (but how much more slowly?) in the absence of railways. Urban demand, for construction requirements and infrastructure was extremely important for the growth of the iron industry. To the extent that this market would have been less than it was in the absence of railways the iron industry would have grown more slowly still. Many other examples could be taken to extend this argument. In short, it is impossible to track through the maze of the indirect effects of the railways on the economy and to quantify them.

Outside the formal terms of the methodology lie other effects of the railway system which defy quantification within the same analysis. The heart of the methodology concentrates on relative freight rates and passenger costs. Other aspects are also of importance. Is it possible, for example, to quantify the gains offered by increased speed, regularity and predictability of tranport, by the increased mobility of people? The organisation of business and its operations were affected by this in diverse ways: more efficient (but not necessarily cheaper) transport, judging by the direct comparisons of costs of journeys by other transport media, reduced the dis-economies of scale in organisation and management, enabling other advantages of scale to be realised. Even the national awareness of precision in time-keeping and expectations about time were enhanced.

Institutionally the growth of the railway system created new developments (or was the predominant influence in their growth) which then had wider effects upon the economy, not being confined in their influence to the railways. The growth in scale, efficiency of operation and sophistication of the capital markets — in particular the growth of stock exchanges as a central institution for the long-term mobilisation of capital — is a main example. Company law, audit requirements and accountability procedures for the protection of shareholders owed much to railway development, which produced a major *rentier* interest group in these respects — even if the expansion of regulation tended to advance more slowly than the evils it was designed to prevent. These sorts of qualitative, institutional, cultural and attitudinal influences of the railway, which cannot be construed

into the same mensuration — if any mensuration at all — also had their influence and helped to make the economy, with railways, a different structural and operating entity than the economy was before the railways.

Another issue remained: the significance of the final quotient expressed as a percentage of G.D.P. Where this figure was between 4 and 5 per cent or less, at first glance the significance seemed small. And in the calculus concerning railways in Britain the largest single component in the social savings resulting from the carriage of passengers derived from the 'comfort' factor; of whether alternative costings for travel by rail (which was soon under cover, even for third-class passengers) should be based on 'inside' coaching seats (which were very expensive) or on 'outside' seats. A further — but illegitimate — assumption then belittled the significance of the percentage figure. If the rate of economic growth was — say — 4 per cent per annum, a social savings of 4 per cent of G.D.P. contributed by the railroads could be held to imply that the economy without railways would have grown to the same size as it did, in fact, grow with the presence of railways after a delay of only one year. This was a false assumption even within the terms of the methodology but was widely accepted by iconoclasts taking satisfaction from 'cutting the importance of the railways down to size', flying in the face of all traditional conclusions about the importance of the railways in a sort of '*épater les bourgeois*' intellectual radicalism. The true response was to seek to calculate the social savings attributable to any other single innovation by comparable means and then to judge the significance of the railways by comparative assessment. This has not been done, and perhaps never could be done effectively.

The 'new' economic history received international recognition through the 1993 Nobel Prize in economics being awarded to R.W. Fogel and D.C. North. R.W. Fogel has not written himself for the *Journal* but his work on railroads, slavery and, more recently, nutrition is reflected there indirectly. D.C. North was honoured for

a contribution which enhanced perceptions about the process of economic growth and expanded the range of historical analysis in a different way. He did summarise some of his most important ideas in the *Journal* ('Markets and other Allocation Systems in History: the Challenge of Karl Polanyi', *Problems,* Vol. VI, 1977, No. 3; 'Transaction Costs in History', *Problems,* Vol. XIV, 1984, No. 3).

The conceptual schema behind the central idea was also securely bedded in neo-classical 'Chicago' economics centring upon market theory, although when translated into historical contexts the sophisticated econometric quantification was largely absent because many of the ideas resisted quantification through limited empirical data. However, the result of 'transaction costs' methodology has been to valorise a wide range of historical research themes in a new way.

The issue goes back to the sources of productivity growth as the means of achieving greater economic efficiency and rising wealth. In the 1950's and 1960's the emphasis of theory and research focused on productivity growth in production techniques — particularly through mechanisation. This was the great source of scale economies, increases in aggregate output coupled with a fall in unit costs. Technological change lay at the heart of the process, together with the mobilisation of capital and higher rates of investment which embodied the new technology. Important initial work by Douglass North challenged this assumption about technical change through embodied innovation being the predominant source of productivity growth. Although no one denied its importance, much debate developed on the other necessary conditions required to make the implementation of new technology effective and thus enable potential gains in higher productivity to be captured.

The issue was posed over Professor North's analysis of productivity gains in transatlantic shipping during the eighteenth century, where the level of productivity broadly doubled. The fact that the study was in a 'service' industry in the 'tertiary' sector of the economy rather than in the 'productive' sectors of agriculture, industry and mining, was itself significant. But these remarkable gains — comparable to, if not greater than, those accruing to industry or

agriculture as a whole — did not spring from any technological 'break-through' or 'great leap forward'. The basic technology of wooden-hulled and masted ships, driven by winds, remained broadly constant. What innovations there were did not come from mechanisation or new materials or new prime movers — a combination of which made new embodied technology possible, as in the more traditional story of the advance of productivity. Rather it was a matter of the slow evolution of ship design, of more effective rigs, of better cartography, more efficient navigation based on new knowledge, better instrumentation, more accurate astronomical tables.

Cargo capacity increased per dead weight/ton and per numbers of crew. Organisational improvements also added to the momentum of rising productivity. Specialisation of ships for particular types of cargo and with particular routing patterns played a part. On-shore improvements were not the least of the gains. Investment in improved port facilities, quays, and warehouses; better links inland by improved roads, river navigation and canals all allowed improved organisation and more rapid turn-round times for shipping. Long delays, often weeks, assembling and discharging cargoes and making good for the next voyage imposed high costs upon shippers and merchants, increasing the volume of stocks in relation to turnover. The spread of insurancing also aided commercial efficiency. Most of these improvements required increased investment somewhere but they can be broadly subsumed under 'institutional' and 'organisational' factors rather than 'technological advance' per se.

This study changed the perspectives through which economic historians viewed advances in productivity and laid the basis for the wider perspectives still which were to be analysed through the concept of 'transaction costs'.

The issue concerned the effectiveness of the functioning of a market in the widest sense, the basic assumption being that a freely-operating market in competitive conditions, without the distortions imposed by interference within the market by legal and political authority, would produce the most efficient allocation (in the

national economy or internationally) of production and distribution of goods and services. Competitive forces would eliminate monopoly profits and drive prices down towards marginal costs. In a competitive context comparative advantage would thus maximise efficiency in the market system as a whole, to the benefit of consumers. A freely operating market (for labour as well as for capital, goods and services) would also produce the greatest motivations in all those acting in the market to maximise their advantages and generate self-help. Adam Smith's 'invisible hand' would then translate the gains to the individual into the aggregate advantage for society as a whole. This was a recipe, therefore, both for the most efficient allocations within the system in a static sense, and for the creation of maximum momentum for the expansion of the economy — for the creation of new wealth — in the dynamic sense.

This ideology of the free market, which gained much response from the current political process in the United States and Britain in particular, during the 1970's and 1980's, put new vigour into old historical debates. The new awareness turned on the appreciation that most of the momentum for economic growth in Europe in the medieval and modern period came from the market context and in response to the opportunities offered by the market. Hence the significance of research which sought to understand how markets were blocked or inhibited; how they were encouraged or given the opportunity to develop a momentum of their own.

'Transaction costs' could be analysed from many points of view. One such was the analysis of information costs and imperfections. A perfect market demanded perfect information for those acting it it, or potentially becoming actors. Commercial markets operated through freely-moving prices, which provided the critical signals for action and response. Knowledge of price movements was therefore critical.

Apart from this special case, information reduced risk and enabled 'rational' decisions to be made — the quicker, the cheaper and the more reliable the information then the better were all actors in the market served and the lower 'transaction costs' became. A wide

swath of considerations lay behind improvements in the provision of information, the technology of printing, the growth of print media (price currents, newspapers, specialist journals and periodicals), the commercialisation of printing and publishing, legal constraints. The improvement of communications, whether by way of speed or lower costs, affected the issue in physical terms of making journeys. Mail systems, public and private, were an important medium for information flows. Clearly a wide range of historical research was relevant to the issue of information once seen in the conceptual framework of 'transaction costs'.

The same was true of the legal and political framework within which the economy and its actors operated. This affected the market in both positive and negative ways. Both direct intervention in the economy to block market forces in a variety of ways (tariffs, monopolies, restricted access to occupations and the like) and intervention to create open markets (with *laissez-faire*, free-trade legislation) required positive political and legal action to achieve. Thus the market itself can be argued to be a creation of the political system, at least when operating on any scale and in a public, formal way. It is also, in all contexts except that of the 'black economy', corruption, illicit business and piracy, a function of the legal context (which is everywhere a much more complex entity than the statutory, or royal, edicts of the legislature). Judge-made law and the long evolution and interpretation of precedents — overruled by statute where statute intervened — shaped the balance between freedom and constraint for all economic actors — labourers, shopkeepers, merchants, industrialists, bankers, investors, partners, shippers, mining venturers, landowners and farmers. Property rights in the widest sense are the basis for the establishment of a market — the ability of individuals to buy and sell assets of all descriptions. And the progressive development of market relationships is — almost universally — considered to be one of the main bases of economic growth. The recent abandonment of central-planning mechanisms in the socialist bloc countries has given empirical endorsement to the main tenets of neo-classical economics as reflected in the 'new' economic history and,

in particular, in relation to Prof. Douglass North's contributions to the *Journal*.

New Growth Theory

Since 1977, the date of publication of 'markets and other allocation systems in history', economists have acknowledged that explaining the process of economic growth in diverse contexts (and, for economic historians, in diverse periods) requires a greatly extended conceptual apparatus. In particular, the 'new growth theory' acknowledges the importance of non-economic, non-quantifiable variables, which will be welcomed by economic historians as a salutary recognition, not before time, of empirical reality. The new theory of growth is not, in fact, a unified, comprehensive model but covers a range of relationships which cannot be construed in a conceptually integrated scheme. Property rights and all the developments which lay behind the expansion in the range of market relationships are central to these new conceptual frameworks. This does not only concern the evolution of the land market (with the dismantling of feudal constraints), together with the evolution of 'free' labour; but the attack on guilds and monopoly privileges of all kinds, whether in urban industries or foreign-trading companies. Economic 'freedom' also embraced the idea that, within a national economy, there should be free movement for the factors of production; that customs barriers, for example, should apply along the perimeter of the nation state rather than within it. Many of the ideas of the Physiocrats and other economic theorists in the Enlightenment subscribed to these basic provisions of a 'liberal' political economy — liberal, at least, in comparison with what had gone before.

The financial dimensions of the market economy are particularly significant, because they concern the operations of the currency and credit markets, and subsequently the banking system and the long-term capital markets. Certainty about the legal position is no less important than the legal regulations themselves. Initially, the

imprimatur of the sovereign, or recognised authority, in issuing coins provided one such guarantee in medieval times (even where weight and parity were regularly checked in use). Equally, the negotiability of bills of exchange had evolved into efficient practice in the more difficult environment of international trade (where inter-sovereignties and different legal systems could be present on either side of a transaction) in the Mediterranean in the later Middle Ages. Similar significance belongs to the legal status of mortgage lending and borrowing, promissory notes and the provision of securities to cover loans. These basic advances have been largely taken for granted in the analysis of the establishment of the financial prerequisites for a market economy. More specific for developments in the seventeenth century and after were the negotiability of other financial instruments as the pre-condition for financial markets and banking. The legal status of the cheque is one main instance, coming into ordinary use with banking in Britain earlier than in most other European countries. Securing private property rights over stocks and shares, ensuring their transferability as a necessary attribute for their negotiability, was a further advance which provided the basis for the evolution of long-term public debt, and the stock exchange as a means of mobilising capital for public and private-sector purposes. These financial operations had international as well as intra-national importance because such transactions went beyond national frontiers. The scope of banking activities was much dependent upon such legal underpinning and banking quickly evolved wherever economic growth became a continuing process in the modem context.

The 'new growth theory' is also much concerned with other aspects of the political process, and always with the subject of economic policy of the state. The level and incidence of taxation, the level and incidence of protective duties, quotas and the control of foreign trade and shipping, public borrowing are directly relevant to the performance of an economy; equally the operations and the efficiency of the public sector where the state had a direct presence in economic activity. Much interest also new centres on 'human capital' as a vital resource for an economy which raises the issue of education

at all levels of society (literacy rates are traditionally seen as a measure of modernisation) — for the motivational structure and values incorporated in education as well as for its knowledge-content. The important realities are more diverse than the quantification of the labour force, professional cadres and relative wage rates. Cultural and social norms remain within the analysis although not now usually conceived as creating national stereotypes which are to be used as explanatory variables.

This brief review of the relationships which are now deemed to be relevant for understanding the process of economic growth by economists — which sets new conceptual horizons — give a new-style validation for much traditional work in economic and social history which has characterised the *Journal*. Perhaps it will be said that such a historiographical tradition provides its own justification and criteria for being judged as significant, not needing any legitimation from economists and other social scientists with their own conceptual apparatus and methodologies. This does scant justice to the dialectic between empiricism and theory which has always characterised economic history, whether acknowledged and self-conscious or oblique and instinctive: economic and social historians have always had to live with their neighbours. At all events many topics represented in the *Journal* may now be studied with a new awareness.

Articles on land reform, rural society and agricultural change cover many contexts — Austria (Vol. XIV, 1985, No. 3; Vol. VIII, 1979, No. 1), Bulgaria (Vol. XII, 1983, No. 1), Poland (Vol. I, 1972, No. 2), Portugal (Vol. XIX, 1990, No. 3), Russia (Vol. XI, 1986, No. 3), Sweden (Vol. I, 1972, No. 3); Thessally (Vol. XIX, 1990, No. 3) — amongst others. Equally extensive interest is shown in the economic aspects of state activity and state policy (leaving aside for the moment the large category of articles about public debt and finance (26)). Almost 50 articles appear under such headings as state intervention and tariff (32), mercantilism (5), protectionism (6), royal manufactures (1) and 'Colbertism' (2). The Soviet economy attracted three studies and the 1956-57 economic reforms in Hungary a remarkable investigation by Prof. Ivan Berend based on the archives

of the Central Committee, in the early 1980's (Vol. XII, 1983, No. 3). None of the other planned economies of Central and Eastern Europe were the focus of interest (much coverage concerned these countries in earlier centuries) and the general representation of the 'Comecon' economies is slight.

Fiscal policy in Germany focused much attention (with 4 articles for periods ranging from the Middle Ages to post 1945 (Vol. XV, 1986, No. 3; Vol. IV, 1975, No. 1, Vol. XIII, 1984, No. 1, Vol. VII, 1978, No. 2-3). Of the 31 articles centring on Germany almost 20 are concerned with different aspects of state policy and political influence upon economic affairs.

Data about taxation have survived extensively for many countries (even if difficult to interpret and — even more — to construe in comparable terms) but little comparative work has been done as yet and only one article sought to make a systematic quantitative analysis of the incidence of central government taxation in Britain and France during the eighteenth century — revealing that British administrations were able to extract and mobilise resources, rising to almost three times the level of French taxation (P. Mathias and P.K. O'Brien, Vol. V, 1976, No. 3). One further comparative study covered the alienation of public revenues in *ancien régime* France, Piedmont and Naples (Vol. XI, 1982, No. 3). Over 15 of the almost 50 articles covering France had the role of the state present, directly or indirectly, in such fields as governmental responses to economic modernisation (Vol. VI, 1977, No. 3), tariff reforms, infant industries and commercial treaties (Vol. XIX, 1990, No. 2; Vol. XV, 1986, No. 1; Vol. X, 1981, No. 3; Vol. VII, 1978, No. 1; Vol. II, 1973, No. 3); monetary issues (Vol. VIII, 1979, No. 1; Vol. V, 1976, No. 3; Vol. IV, 1975, No. 3, Vol. XVIII, 1989, No. 3; Vol. III, 1974, No. 2; Vol. XX, 1990, No. 1); government relations with business (Vol. XVII, 1988, No. 3; Vol. III, 1974, No. 1; Vol. XVIII, 1989, No. 2).

For England/Great Britain the pattern was similar. Up to 20 of the c. 75 articles covering British topics were related to the state — principally concerning commerce and overseas trading

relationships (Vol. XIV, 1985, No. 1; Vol. XIX, 1990, No. 3; Vol. V, 1976, No. 2; Vol. XII, 1983, No. 3; Vol. XV, 1986, No. 3; Vol. IX 1980, No. 2) and monetary history in various manifestations (Vol. IV, 1975, No. 2; Vol. II, 1973, No. 1; Vol. X, 1981, Nos. 1 and 3; Vol. 1981, No. 3, Vol. XV, 1986, No. 3).

In many cases within this array of instances where the state and its activities are studied in relation to the economy, the main orientation of the author is not with the process of economic growth *per se* and hence the articles have not been written with the conceptual apparatus of 'new growth theory' (or of good old economic history) in mind. However, their contents in almost every case are relevant to the issues concerned. One or two articles, however, are specifically targeted with the new methodologies in mind — for example L. De Rosa writing on 'property rights, institutional change and economic growth in Italy, during the eighteenth and nineteenth centuries' (Vol. VIII, 1979, No. 3) and M.D. Jankowski on 'law, economic policy and private enterprise' in the mining industry of the Ruhr, 1766-1865 (Vol. II, 1973, No. 3). A further article tackles the major issue, for all European economies, of 'the public sector and economic growth', in this case in eighteenth century Spain (A. Gonzales Enciso and P.I. Merino, Vol. VIII, 1979, No. 3).

The strong emphasis laid on the role of education — at all levels — in the process of modernising societies and improving economic efficiency through the investment in 'human capital' is not reflected in the number of articles in the *Journal* about education. Indeed, only three face these issues, plus an investigation into the long-term status of the professions, including teaching, by C.M. Cipolla (Vol. II, 1973, No. I). François Furet puts the Departement du Nord in France under the microscope of a local study of the relations between literacy and industrialisation (Vol. V, 1976, No. 1) and there is a survey of British economists' views about the relationship between education, training and economic performance, 1868-1939 (E.W. Evans and N.G. Wiseman, Vol. XIII, 1984, No. 1). More precise embodiment of the contribution which technical knowledge could offer the business community in fifteenth-century Italy is to be found in the

article on schools and teachers of commercial arithmetic in Florence (R.A. Goldthwaite, Vol. I, 1972, No. 2).

Theory and Methodology

Several sections of this commentary on the various themes under which the contents of the *Journal* may be grouped have mentioned the role of theory and the more conceptual aspects of economic and social history writing — as above in the discussions of the 'new economic history' and 'new growth theory', although this dimension is not absent from individual contributions listed in any of the major categories, such as industrialisation and demography. However, we should look at theory and methodology as a theme in its own right, if only because it has such a prominent place. In this respect economic and social history, being neighbours with social-science disciplines from economics, law and political science to sociology, anthropology and psychology, has been more receptive to theory and methodologies derived from these disciplines than most other branches of historiography. Economic history enjoys a natural affinity with quantitative data and time series so that the application of econometric and statistical techniques has also been widespread. On occasion the main interest, the greatest significance, in work which incorporates such conceptual apparatus lies in the demonstration of method more than the empirical relevance of the results.

Various formal statistical techniques have been exemplified in articles in the *Journal* throughout its existence — for example, 'spectral analysis' (Vol. V. 1976, No. 1), 'capture - recapture analysis' (Vol. V. 1976, No. 3), 'Box-Jennings methodology' (Vol. XIII, 1984, No. 2), 'splitting background variables and aid analysis' (Vol. VIII, 1979, No. 1), regression analysis (Vol. VIII, 1990, No. 1) (most related to demographic and social history topics). 'Historical technometry' (L. Bulferetti, Vol. IV, 1975, No. 2) sets out the methodological issues more generally. Other formal applications of methodology concerned 'income elasticities of demand' in the 'release' of labour from

agriculture (N.F.R. Crafts, Vol. IX, 1990, No. 1 — a much cited reference) and econometric problems of the standard of living (J. Mokyr, and N.E. Savin, Vol. VII, 1978, Nos. 2-3).

The demographic variable has produced numerous essays in model-building, many associated with Malthusian assumptions (for example 'models of population growth in the Industrial Revolution' (D. Levine, Vol. VII, 1978, Nos. 2-3). Proto-industrialisation studies (cited on pp. 516-518) clearly emphasise such relationships. More generally, demographic change in relation to monetary growth and price levels continues to prove a fruitful ground for theoretical debate: see, for example, 'price population and national income in the Netherlands, 1620-1978' (Vol. XI, 1982, No. 3). The effects of money supply on prices, with the underlying thesis of the quantity theory of money, has provoked perhaps the longest-running theoretical debate in the annals of economic history — and monetary history as a sub-category of economic history — which is duly well-represented in the *Journal*.

Over 30 different articles — too many to cite here — are concerned with different aspects of the money supply/prices debate (under the headings methodology, prices, price revolution, economic policy, money and monetary policy etc. in the indexes) which range from the medieval period to the twentieth century but with predictable concentrations for the sixteenth century, which saw the initial impact of 'new world' bullion in Europe and the 'price revolution'. The dynamics of price increases, however, are acknowledged as complex — with population growth, de-hoarding, increased state spending, the mobilisation of progressively greater resources for military and naval commitments by nation states with more effective powers of taxation and borrowing activating increased money supplies. As an agent they facilitated increased spending and inflation if not being the sole prime cause. Amongst the monetary issues concerning the gold standard, and the policies of central banks in the nineteenth century is that of bi-metallism (D.A. Martin, 'The impact of mid-nineteenth century gold depreciation upon western monetary standards', Vol. VI, 1977, No. 3).

If the history of economic thought is to be considered as 'theory and methodology' several contributions should be noted here — the views of Copernicus and Pasquale Jannaccone on money and the monetary approach to exchange ranges and the balance of payments (S. Zurawicki, Vol. III, 1974, No. 1; F. Spinelli, Vol. XVII, 1988, No. 3), economic thought in the Enlightenment in Germany, Russia and Hungary (Kossuth) (H-J Braun, Vol. IV, 1975, No. 2; P. H. Clendenning, Vol. XIV, 1985, No. 3; R.A. Horvath, Vol. II, 1973, No. 2); the debate on usury in the seventeenth century (W.D. Grammp, Vol. X, 1981, No. 3), laissez-faire in Britain in the nineteenth century (C.J. Holmes, Vol. V, 1976, No. 3) and economic theory in pre-Nazi Germany (J. Backhaus, Vol. XII, 1983, No. 3). The spatial, as well as the methodological range of the *Journal* is evidenced in the article by C. Chung-Lai, 'Adam Smith and Yen Fu: Western Economics in Chinese Perspective ' (Vol. XVIII, 1989, No. 2). One important category of contribution, furthering awareness of current theoretical issues focusing interest in the discipline, is that of 'conference reports' (which include many other themes than methodology in the role of providing information to the readership). Amongst the conceptual issues covered in conference reports have been demographic methods and problems (Vol. I, 1972, No. 3), property rights (Vol. II, 1973, No 2 — and see pp. 533-539 of this text), comparative economic history (Vol. IV, 1978, No. 1), historical process in world systems (Vol. IV, 1980, No. 1), quantitative methods and 'cliometrics' (Vol. III, 1974, No. 1; Vol. IX, 1980, No. 1; Vol. XI, 1982, No, 3; Vol. XV, 1986, Nos. 1-2; Vol. XIX, 1990, No. 3).

'Historiography' as a term of art can either mean aspects of the philosophy of history — the history of history itself — or aspects of history writing about a particular topic, or the tradition of history-writing in different contexts. The 'historiography' of the 'new economic history' (for example, 'the triumph of quantitative economic history in Budapest' (Vol. I, 1972, No. 1), 'historical research and the "complication" of economics' (Vol. XVI, 1987, No. 2) and 'theory and business history: new approaches to institutional change' (Vol. XVII, 1988, No. 2)) are clearly contributions to

conceptual issues. Most essays in 'historiography' in the *Journal,* however, are surveys of historical writing on different topics. These may reveal theoretical or conceptual predilections — for example in identifying a national tradition in the interpretation of such topics — but are not so much intrinsic theoretical or conceptual analyses in their own right. The coverage of such national and thematic historiographical surveys in the *Journal* has been wide, several being focused upon the contents of national journals in different countries. The *Journal* has truly lived up to its title in European-wide network of such reports: Austria (Vol. I, 1972, No. 3), Belgium (Vol. V, 1976, No. 1), Britain (local history, vol. II, 1973, No. 2; business history, Vol. V, 1976, No. 1), Finland (Vol. V, 1976, No. 2), France (Vol. I, 1972, No. 3; Vol. III, 1974, No. 2; Vol. IV, 1978, No. 1; agrarian history, Vol. XIII, 1984, No. 1), Germany (Vol. I, 1972, No. 1; DDR, - Vol. II, 1973, No. 2), Holland (Vol. IV, 1975, No. 1), Hungary (Vol. I, 1972, No. I; Vol. IV, 1975, No. 1), Ireland (Vol. XI, 1982, No. 3), Italy (industrialisation in the south, Vol. XIV, 1985, No. 3), Poland (Vol. VI, 1977, No. 1), Russia (Vol. III, 1974, No. 1), Slovenia (Vol. VIII, 1979, No. 2), Spain (Vol. I, 1972, No. 2; Vol. IV, 1975, No. 2); Sub-alpine region (vol. VII, 1978, Nos. 2-3), Sweden (Vol. II, 1973, No. 3). A truly impressive list.

Historiographical surveys which are more bibliographical and interpretative than methodological, in common with many in the list above, also cover subject themes - as examples there are family and household (Vol. II, 1973, No. 1), nutrition (Vol. II, 1973, No. 1), urbanisation (Vol. XVI, 1987, No. 1; Vol. XVIII, 1989, No. 3). These categories of contribution help to fulfil the 'information providing' role of the *Journal* in keeping its readers up to date with current research and new interpretations with current research being published elsewhere, as does the series of conference reports and - review articles in general.

The aggregate coverage of theoretically and methodologically orientated articles in the *Journal* is extensive: under methodology (including the 'new economic history') the total is 41; under economic theory and the history of economic thought there are over 35; money

and monetary policy adds a further 52; prices, inflation and the price revolution cover almost 40 more. Naturally the degree of orientation towards formal theorising, utilisation of specific conceptual apparatus or application of sophisticated statistical processing to interpret quantitative data varies in individual cases to defy exact categorisation. But the broad thrust is not in doubt, in comparison with the contents of general history journals, which is of significance for economic history in general and for the *Journal* in reflecting the wider trends in the subject.

Table 8: Theory and Methodology

Economic Theory and Economic Thought	36
Historiography	16
Inflation	19
Institutional Analysis	7
Methodology (with 'new economic history')	41
Monetary Issues and Prices	85

[There is some duplication of individual articles in these categories, e.g. 13 under 'prices' and the 'price revolution' are included in 'money' and 7 of these also under 'inflation'. It is impossible to eliminate double or multiple entries without emasculating the range of these categories.]

Economic history was not the only historiographical vehicle for embodying new techniques and new research styles. Social history, and more particularly demographic history, experienced comparable developments. With a specific database and 'population' (or utilising statistical techniques to offset the imperfections of the primary data) hypotheses concerning the dynamics of demographic change could be systematically tested by the application of quantitative methods and formal statistical techniques, particularly utilising correlation and regression analysis. Data needed to be quantified, the relevant variables governing change specified and a model incorporating their potential modes of interaction established. On this basis correlations

could be tested and the relative importance of different variables revealed. Assumptions had to be made explicit and then specified, as a pre-condition for testing in a quantitative way. The objective was not just to produce an accurate chronicle of change — a narrative of relevant events — but to reveal the dynamics of change; to prove the 'how' and the 'why' of change.

All this the 'new' demographic history had in common with the 'new' economic history. Data sets of primary data abounded from feudal estate records, parish registers, city, city-state and national censuses and cadastres. Household data could be construed from local taxation data, such as the hearth tax. A whole sophisticated armoury of techniques of statistical analysis deriving from modern demographic research methods could then be deployed. The titles of articles tell their own story in this respect, from the first issues of the *Journal:* D.J. Loschky, 'Urbanisation and England's eighteenth century crude death rate' (*Debates,* Vol. I (1972), No. 3); T.B. James and N.A. Price, 'Measurement of the Change in Populations through Time: capture-recapture analysis ...' (*Debates,* Vol. V (1976), No. 3); B. Spencer, H. Derek and P. Deprez, 'Spectral Analysis and the Study of Seasonal Fluctuations in Historical Demography' (*Debates,* Vol. V (1976), No. 1); R.M. Strensland, 'Comparative Studies of Sami and Norwegian Local Communities in the Early XVIIIth Century: selected regression results' (*Notes,* Vol. XIX (1990), No. 1).

Equally, the rôle of demographic change in the wider historic process has attracted sophisticated analysis, as in many proto-industrial studies or in the testing of hypotheses involving a population dynamic: P. Kriedte, 'Demographic and Economic Rhythms: the rise of the silk industry in Krefeld in the XVIIIth Century' (*Articles,* Vol. XV, 1986, No. 2); D. Levine, 'Some competing models of population growth during the first industrial revolution' (*Debates,* Vol. VII, 1978, Nos. 2-3); H.A. Miskimin, 'Population Growth and the Price Revolution in England' (*Problems,* Vol. IV, 1975, No. 1); N.F.R. Crafts, 'Income Elasticities of Demand and the Release of Labour by Agriculture during the British Industrial Revolution' (*Notes,* Vol. IX, 1980, No. 2).

Within demographic history the perennial debate on the relevance of Malthusian ideas (whether pre- or post- T.R Malthus himself) to the empirical context stimulated much conceptual debate, reflected in the *Journal:* C.M. Cipolla, 'The Plague and Pre-Malthus Malthusians', (*Articles,* Vol. III, 1974, No. 2); R. Horvath, 'The Malthusian Ideas on Population in Hungarian Demography before World War II' (*Articles,* Vol. I, 1972, No. 2); M. Silver, 'A non-neo Malthusian Model of English Land Values, Wages and Grain Yields before the Black Death' (*Problems,* Vol. XII, 1983, No. 3).

The Dynamics of Change

It is impossible to segregate contributions to the *Journal* according to whether they deal directly with the dynamics of growth and stagnation — so many articles have an indirect bearing on the issue that it would be either indiscriminate or misleading to seek comprehensive coverage. However, various headings (listed in the Table on p. 551) are central to this topic, even where some of the individual contributions listed there have different orientations. The main point revealed is the very high number of contributions — well over 250 — in these categories which are concerned with growth and stagnation. This certainly reflects the central position which economic growth has held in the recent historiography of the subject.

Predictably the role of agriculture and rural society in the process of growth feature prominently (as the section of the text under these headings describes). It is worth remarking that 9 out of 21 entries in the subject index under 'feudalism' relate to central and eastern Europe. The same basic relationships often appear under different contexts — either regionally or locally, within a single country or internationally. Thus many aspects of the different dynamics of growth and inertia are explored under 'town-countryside relations', 'economic backwardness' and 'dualism', 'foreign capital' and 'core and periphery' relations, as well as 'feudalism'. The dynamics between

town and rural hinterland differ according to examples — whether in Poland (A. Wyrobisz, Vol. XII, 1983, No. I; K. Kuklinska, Vol. VI, 1977, No. 2; Vol. XI, 1982, No. 1); Spain (D.R. Ringrose, Vol. X, 1981, No. 2; M. Weisser, Vol. II, 1973, No. 3) or the Baltic (M. Bogucka, Vol. IX, 1980, No. 1; H. Samsonowicz, Vol. IV, 1975, No. 3). In some contexts towns were the centres of dynamic for change and growth, the bases for progressive elites in trade and the professions, the seat of much industry, and invigorating trade and agriculture in their hinterlands, or further afield from the markets which rising urban and non-agricultural populations created. The Netherlands, Britain and the Baltic exemplify such dynamics, in parallel with most other case histories of urban growth in a context of progressive agriculture (Paris, the Pas de Calais and the Ile de France is a case in point). But there is an alternative scenario, where a great city such as Naples or Madrid became a parasite on its region, devouring agricultural surpluses, stripping woodlands for fuel, draining agriculture of investment, making tax claims which impoverished productive groups in rural society. A low-level equilibrium of unprogressive, low-productivity agriculture without local accumulation for production purposes resulted: this was a macrocosm of the deleterious effects which feudal relations could impose at the local level. Clearly patterns were complex (P. Bairoch, 'Urbanisation and the Economy in Pre-Industrial Societies: the findings of two decades of research', Vol. XVIII, 1989, No. 2).

Equivalently equivocal dynamics characterised dualism, the role of foreign capital and 'core-periphery' relationships — the dynamics depended on context. The pages of the *Journal* have not seen many formal controversies played out over major issues: the 'scattering' of holdings in open-field agriculture as a strategy for reducing risk is an example (M.P. Mazur; Vol. XI, 1977, No. 2 and reply Vol. IX, 1980, No. 1, with critiques D.N. McCloskey, Vol. IX, 1980, No. 1 and vol. VIII, 1979, No. 1; Charles Wilson, Vol. VIII, 1979, No. 1). One other confrontation occurred over the 'core-periphery' debate, which was part of a wider thesis about the dynamics of world development and the process of accumulation, governed (in the assertions) by the

exploitation of primary producers by advanced trading, industrialising, investing, colonising, militarily aggressive powers from the sixteenth century onwards. This thesis has combined an assertion about the dynamics of the process of historical change in the very long run with an explanation of present-day income inequalities between economically dependent countries of the 'third world' and the rich nations, with multinational corporations brought onto the world stage in the twentieth century as new agents in this process of exploitation.

The 'exploitation' thesis has a long bibliography in the particular case of the economic relations between Britain and India, where the 'drain' of money and resources was held to be the main cause of India's poverty and stagnation and Britain's wealth and economic advance. For the world 'system' as a whole the two principal proponents have been Immanuel Wallerstein in *The Modern World System* (vol. 1, New York 1974) and André Gunder Frank, *Capitalism and Underdevelopment in Latin America* (New York, 1969); *On Capitalist Underdevelopment* (Bombay, 1975); *World Accumulation 1492-1789* (New York and London, 1978). Immanuel Wallerstein has not published in the *Journal* but André Gunder Frank set out his thesis in its pages, more particularly in response to Paul Bairoch's analysis of the growth, structure and balances of European foreign trade after 1800 (Vol. II, 1973, No. 1; vol. III, 1974, No. 3; Vol. V, 1976, No. 2 — with a vigorous rebuttal in Vol. V, 1976, No. 2). Gunder Frank, apart from his critique of Bairoch ('trade balances and the third world', Vol. V, 1976, No. 2), put forward his main thesis in 'multinational merchandise trade imbalances and uneven economic development' (Vol. V, 1976, No. 2) and 'imbalance and exploitation, (Vol. VI, 1977, No. 3). Sidney Pollard then joined the attack on Gunder Frank's assumption that to profit from the supply of services and capital (as distinct from visible trade) was, in itself, morally illegitimate for advanced countries (Vol. VI, 1977, No. 3).

No controversy has run and run to the same degree in the *Journal*. For example, although 8 citations appear under 'entrepreneurs' these are mainly concerned with the activities of individual businessmen, or groups of businessmen, in different contexts rather than in identifying

'entrepreneurship' as a variable in the process of economic growth and decline, save for two partial exceptions relating to Britain (H. Archer, 'The Role of the Entrepreneur in the Emergence and Development of UK Multinational Enterprises', Vol. XIX, 1990, No. 2; W.H. Phillips, 'The Economic Performance of Late Victorian Britain: traditional historians and growth', Vol. XVIII, 1989, No. 2). Certainly Schumpeter's thesis about the critical role of the entrepreneur as the 'creative-destructive' force in the dynamics of growth did not attract methodological attention — although it can be argued that empirical studies which concentrate on businessmen, bankers, merchants, industrialists *et al.* have absorbed the general message of Schumpeter, if not his precise conceptual thesis, that entrepreneurs are significant subjects for study. But this is scarcely a revelation under any conceptual dispensation, given that they were the embodiment — the historical agency — by which change was effected, the actors on the stage, even if responding to more anonymous forces.

One of the oldest and most widespread methodological predilections (particularly, perhaps, amongst non-professional historians) is for a single-cause explanation for sequential change (preferably, of course, a single cause which no one else has thought of). But intellectual neatness and simplicity are usually bought at a price of unwarranted reductionism and uncritical elimination of other potential variables, more particularly where a complex process of historical change is under scrutiny. This is certainly the case in relation to the brief controversy in the *Journal* about a single-cause explanation for the industrial revolution in Britain. This was put forward by J.F. Gaski in 1982 — in the thesis that technology provided the sole necessary and sufficient condition to explain the dynamics of industrialisation ('The Cause of the Industrial Revolution: a brief 'single-factor' argument,' Vol. XI, 1982, No. 1). This drew fire from I. Inkster, who argued that 'technology' was itself a derivative of the 'scientific culture' which emerged in eighteenth-century Britain ('Technology as the Cause of the Industrial Revolution — some comments' Vol. XII, 1983, No. 2). In turn the

attack was broadened by F. Geary and K. Bruland on the whole methodological basis and implied model-building which lay behind the identification of a 'single-cause' variable (F. Geary, 'The Cause of the Industrial Revolution and 'single-factor' arguments: an assessment', vol. XIII, 1984, No. 1; K. Bruland, 'Say's Law and the single-factor explanation of Britain Industrialisation: a comment', Vol. XIV, 1985, No. 2. I. Inkster then defended himself in Vol. XVII, 1988, No. 1).

Alexander Gerschenkron has been the inspirer of many comparative essays in the process of European industrialisation — defending or testing his own typology. This is most explicit with P.K. O'Brien's broad survey 'Do we have a typology for the study of European industrialisation in the XIXth Century?' (Vol. XV, 1986, No. 2) but is apparent in many other pieces concerned with the process of growth, whether empirical or methodological — for example, J. Komlos, 'Thinking about the Industrial Revolution' (Vol. XVIII, 1989, No. 1), 'Economic Growth and Industrialisation in Hungary, 1880-1913' (Vol. X, 1980, No. 1) F. Geary, 'Balanced and Unbalanced growth in XIXth Century Europe' (Vol. XVII, 1984, No. 1) and L.G. Sandberg, 'Ignorance, Poverty and Economic Backwardness in the Early Stages of European Industrialisation: variations on Alexander Gerschenkron's Grand Theme' (Vol. XI, 1982, No. 3). It is a measure of Gerschenkron's stature as a historian, and a tribute to his magisterial range in methodological and empirical studies, that everyone seeking to relate individual national European case histories of industrialisation to a unified schema still has to come to terms with his thesis (A. Gerschenkron, *Economic Backwardness in Historical Perspective* (Harvard U.P. Cambridge, Mass. 1962); *Continuity in History and other Essays* (Harvard U.P., Cambridge Mass. 1968)).

Table 9: Industrialisation and backwardness

Backwardness and dualism	7
Foreign capital	17
Core-and-periphery relations	14
Economic growth and development	77
Entrepreneurs	8
Feudalism	21
Industrialisation	72
Technology and Innovation	45
Town-Countryside relations	10

[Principal direct relevant categories only are listed. Many other citations on this theme are listed under e.g. feudalism, trade etc. Some overlaps are included e.g. 13 citations under 'technology and innovation' are also under 'industrialisation' and 4 citations under 'entrepreneurs' are also in 'industrialisation']

Comparative Studies

For a *Journal* which is designedly European-wide in its coverage, and which embraces topics which cover relationships between Europe and the rest of the world, comparative studies are clearly attractive. Comparative analysis, whether in terms of generalised comparisons or with more rigorously deployed quantitative data, also offers the possibility of insights denied to single case-histories. Each side of the comparison casts light on the others, parallels can raise as many questions as contrasts. It is a common view that great advances can come to historical understanding by way of such comparative studies.

This being so it is reassuring to discover that comparative analysis is well represented in the *Journal*. Apart from topics which inherently involve the study of more that one context (many articles concerning trade and merchants, for example), more explicit comparisons form the main thrust of some thirty contributions. Establishing typologies, whether of processes of European industrialisation in the XIXth century (P.K. O'Brien, Vol. XV, 1986, No. 2) or central European inflation in the XVIIth and XVIIIth centuries (V. Zimyani, Vol. IV, 1975, No. 2) are exercises of this order, together with international

comparisons of levels of industrialisation (Bairoch, Vol. XI, 1982, No. 2) and migration (J.D. Gould, Vol. VIII, 1979, No. 2; Vol. IX, 1980, Nos. 1-2). A similar comparative analysis concerned agriculture and the origins of economic growth (T. Kjaegaard, Vol. XV, 1986, No. 3), and also regional economic disparities in the XIXth century (J. Soderberg, Vol. XIV, 1985, No. 2).

The effects within different national economies of international movements in prices and bullion, terms of trade and monetary behaviour form another theme where comparative historical experience is of the essence, whether for the late Middle Ages within Europe (Vol. VIII, 1979, No. 2) or in the modern period for the wider international economy (Vol. V, 1976, No. 2; Vol. VI, 1977, No. 3; Vol. XVIII, 1989, No. 3; Vol. XVII, 1988, No. 2). The impact of Spanish silver on the economies of various European countries in the XVIth century also attracted much attention (Vol. IV, 1975, No. 1, No. 2 (2 articles), No. 3). There were also interesting comparisons drawn between the alienation of public revenues in France, Piedmont and Naples in the ancien régime (J.-C. Wacquet, Vol. XI, 1982, No. 3) and the mobilisation of economies in the second world war (G. Ranki, Vol. XVII, 1988, No. 2).

More formal comparisons of more precise topics in two settings with different ranges of focus are plentiful: the silk industries in France and Italy in the XVIIth century (S. Ciriacono, Vol. X, 1981, No. 1), industrialisation in France and Italy (Vol. IX, 1980, No. 3). Wage differentials in Italy and Egypt before the 1st World War (measuring incentives for migration: B. Hansen, Vol. XIV, 1985, No. 2; two 'Souths' in the United States and Italy after 1860 (S. Engelbourg and G. Schachter, Vol. XV, 1986, No. 3), Rome, Amsterdam and Paris as cultural centres (P. Burke, Vol. VII, 1978, Nos. 2-3), the terms of trade between Great Britain and Southern Italy (I. Glazier, Vol. 1, 1972, No. 1).

The focus could be even more precise — for example, the comparison of public accounting documents in Frankfurt and Basel in the XVth century (J. Rosen, Vol. XVI, 1987, No. 2); Lombards, Cahorsins and Jews as local merchant communities (K. Grunwald,

Vol. IV, 1975, No. 2); or two local communities for comparative demographic analysis in Sami and Norway (R.M. Stensland, Vol. XIX, 1990, No. 1).

The most striking feature of the comparative studies must be the attention concentrated on Britain and France, in six articles. These range from general productivity comparisons (Nardinelli, Vol. XVII, 1988, No. 2) and agricultural productivity in particular (P.K. O'Brien, D. Heath and C. Keyder, Vol. VI, 1977, No. 3; G. Schmitt, Vol. XIX, 1990, No. 1), to labour practices in ship-building (H. Lorenz, Vol. XIII, 1989, No. 3) and the deficit financing of public works in the 20th century (W.R. Garside, Vol. XIV, 1985, No. 3). Such comparisons are collectively revealing — they justify the assumption that France and Britain did, indeed, experience 'two paths to industrialisation'.