Escaping the Great Divergence? A discussion about and in response to Peer Vries’ *Escaping Poverty. The Origins of Modern Economic Growth.*

An introduction.

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**Good stories and good villains**

Good stories need good villains. Good stories consist of tension, debate, conflict, and conciliation; good villains dispute, defy, spoil parties and appease. Stories become more engaging, arguments become more pointed, debates become more profound and more intense. In good stories, heroes are only as good as the villains. From its roots in the late 1990s, Peer Vries has been a committed, prolific and occasionally recalcitrant fellow traveler in what gradually became known as the Great Divergence Debate. Having trained himself in the numerous debates about history as an interdisciplinary social science, Vries indulged increasingly in the mysteries of the origins of modern growth.

As a man with a sharp mind, making good use of his sharp pen and sharp tongue, he engaged critically and often entered into direct discussion with an impressive list of leading authors in this debate, including Andre Gunder Frank, David Landes, Ricardo Duchesne, John Darwin, Jürgen Osterhammel, Ian Morris, Prasannan Parthasarathi, Daron Acemoglu and James A. Robinson, and last but not least, Kenneth Pomeranz and the so-called Californian School. As a critical and sometimes prickly fellow-traveler, Vries evaluated, assumed and questioned new wisdoms about the Rise of The West. Resuming his own words: ‘What interests me is the problem of catching up, forging ahead and falling behind in economic history. What caused the emergence and continuation of the Great Divergence between rich and poor nations?’

Adopting the Californian School’s prime recipe of ‘reciprocal comparisons’, Vries’ own research concentrated on the divergent causes and effects of industrial expansion and state formation on British and Chinese societies. Over the years, the state became an ever more central actor and research focus within his global economic history approach: ‘One should instead try to allot state and nation their share, which would mean their highly important place on global history, and try to incorporate them in more encompassing...”

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global stories’. Following this interest, Vries’ newest book, which will be published in 2015, will develop a ‘new level of detail on comparative state formation that has wide-reaching implications for European, Eurasian and global history’.

Escaping Poverty: in search for explanations

Peer Vries’ 2013 book Escaping Poverty engages with the Great Divergence, ‘one of the biggest debates in economic history,’ in a more general way. The book aims to provide a systematic analysis of the most important arguments and answers in this debate by means of an exhaustive dissection of possible explanations. It ‘juxtaposes the views of economists / social scientists and of global historians and systematically compares Great Britain and China’. In the last two decades, new tendencies in Global and World History have fundamentally altered the contours and the dynamics of this vibrant research field. In this context, a number of scholars have re-oriented themselves, to use the expression of the late Andre Gunder Frank. They started looking across the Eurasian landmass in order to compare the European experience with the Chinese, East or South Asian experience. The debate about the remarkable rise of global inequalities in the last few centuries is, to a large extent, instigated by publications from the so-called California School, which includes Andre Gunder Frank, Jack Goldstone, James Lee, Kenneth Pomeranz, Roy Bin Wong, Robert Marks, and others. Although they often hold opposing views, they generally agree on a rough comparability in economic performance between China and Europe (or: between the Yangtze Delta, its most developed region, and England) until sometime in the 1700s. They also argued that Western Europe’s subsequent leadership owed much to its relations with areas outside Europe, which provided far greater relief from the ecological pressures created by early modern growth than East Asian cores could gain from their peripheries. This ‘return to the East’ was initially motivated by the observation that the scientific and economic development of China in the centuries prior to the divergence makes it all the more puzzling as to why industrialization and the subsequent rise to global power took place in the West. The second trigger has been that nowadays, the economic and geopolitical dominance of Europe or The West seems less self-evident. The subsequent economic growth-spurts of Japan, the Asian tigers and China, combined with the latter’s growing geopolitical importance, beg some questions. Are we presently witnessing ‘The Rise of East Asia’? If so, to what extent does this rise also imply the ‘Descent of the West’? Does it point to a ‘Great Convergence’, a catch-up process in economic and political development between the two sides of the Eurasian landmass, and perhaps between The West and The Rest?

‘Escaping Poverty’ is a highly ambitious and opulent book. Besides ‘numerous figures’ (quoting the title page), it counts 516 pages, 1347 footnotes, an introduction, three main parts, concluding comments, a bibliography with about 800 references, three indices, a coda and an epilogue. It is an exhaustive and exhausting book. It is first and foremost a challenging book:

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8 Vries, Escaping poverty. Also published in German: Ursprünge des modernen Wirtschaftswachstums. England, China und die Welt in der Frühen Neuzeit (Vandenhoeck und Ruprecht Göttingen 2013). The quotes are from the back cover.
‘What are the causes of the wealth and poverty of nations? Why are some countries rich while most of them remain poor? To answer to this question, this book posits the thesis that the emergence of a new kind of growth must be explained; economists normally characterize this growth as modern economic growth, the essence of which consists in its sustained if not self-sustaining character. Those countries that knew it became rich, while the rest continued to be poor. The book will deal primarily with the question of how this global gap between rich and poor—a gap that continues to confront economists and economic historians with such a huge challenge—actually emerged.’

This is how the book takes off. The explanandum is *the emergence of long-during, sustained, substantial growth* in one part of the world and its non-emergence at the time in the rest of the world, focusing in the very beginning of the process of breaking the strangleholds of the old economy. To do so Vries examines a wide array of explanations proposed by economic growth theorists and economic and global historians alike: natural resources, geography, labor, consumption, capital accumulation, trade, war, institutions, culture, state actions, science and technology. Peer Vries looks at the arguments of dozens of scholars, making his bibliography an exhaustive and up-to-date list of relevant readings for debates on the origins of modern economic growth and the Great Divergence.

By identifying the Great Divergence with the emergence of modern economic growth, Peer Vries makes a critical choice. Since ‘(...) analytically I think that with steam a new economy was born’, he refutes that explaining capitalism *an sich* can explain the Great Divergence. Vries’ approach is comparative. It mainly focuses on Great Britain and China, ‘in the very long eighteenth century’, adding examples from other countries and world regions. His approach is also global, swapping national, ‘pan (West-) European’ and world scales. Although he did not intend to write a history book, Peer Vries is too much of a historian to even suggest that any of the factors he studied can act as the one and only cause of the Great Divergence. There are just too many different factors acting in conjunction in different ways over time: ‘The boldness of the claims made in it is not often matched by the solidity of the empirical evidence.’ Vries clarifies: ‘The Industrial Revolution and modern economic growth were neither foreseen, nor predicted or planned. It would be a major error to look at pre-Great Divergence history as a race between countries, which one would industrialize first.’ Although it is quite common to claim the ‘Eurocentrists’—and I guess I will be considered as one—would do that (defending the inevitability of the Rise of The West), no serious scholar actually ever did. He concludes his ‘coda’ with a statement that is as short as it is clear: ‘In the end, context, that is, history, is decisive.’ Overall, modern economic growth was the

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9 Vries, Escaping Poverty, 12.
10 Vries, Escaping Poverty, 58. Original italics.
11 Vries, Escaping Poverty, 24.
12 To give one example: ‘The great divide between rich and poor nations tended to coincide with that between wealthy (Western) countries specializing in producing and exporting manufactured goods and poor countries (in the Rest) specialising in producing and exporting raw materials. Industrialising countries for a long, decisive period of time had a comparative advantage in manufacturing and services that often led to “de-industrialisation” of “the Rest.”’ Vries, Escaping Poverty, 483.
13 Vries, Escaping Poverty, 38. Vries claims to avoid ‘flattening’ history (in an exclusive longue-duré, path-dependency perspective), ‘compressing’ history (picking moments of time without context) and explaining history by factors of chance, accident and luck (47, 49, 50, 52). ‘Historical developments and outcomes can only be explained and compared in terms of probabilities’ (57).
14 Vries, Escaping Poverty, 55.
15 Vries, Escaping Poverty, 52.
16 Vries, Escaping Poverty, 438
outcome of ‘a deep, slow evolution out of centuries of particular conditions unique to early modern Europe.’

**Escaping Poverty: worlds of striking differences**

In his search for explanations, Vries diverges both from neo-classical growth theories and the revisionist writings of ‘the Californians’. The assumptions behind most economic growth theories, especially the unified growth theory, are completely contradicted by the actual historical unfolding of the process of modern economic growth: ‘Whatever the outcome of that debate, it simply is a myth that the economic history of early modern Europe would be the history of the rise of a Smithian market (...) Actually it goes for all major countries that ever took off.’ He adds: ‘the coming of modern economic growth was not a natural continuation of previous economic history, be it on a different scale: it was quite unnatural. It was not something that was bound to occur if only certain blockades would disappear.’ The revisionism of the Californian School is, in turn, ‘very salutary, but I think there are very good reasons to claim that revisionism went too far.’ Instead of a world of remarkable similarities, Vries sees ‘a world of striking differences’:

‘Both economies were pre-industrial and therefore subject to Malthusian constraints, and both were quite advanced pre-industrial economies in the sense that in their own way they both had made the best, so to speak, of what was available to them. But, it should be emphasized here, they did that very much in their own way. (...) ‘the countries and their economies were also clearly heading in different directions, with Britain’s economy showing many more indications of change and improvement, whereas China’s economy was heading for involution.’

Vries moves to a personal perspective on the origins of modern economic growth near the end of the book. ‘Explaining the Great Divergence ultimately means explaining how societies could emerge in which innovations in the use of resources, the application of technology and the existing institutional set-up became normal and self-sustained.’

Critical causes, according to Vries, are the massive input of cheap energy and resources, technological innovation that thrived on human capital, and strong governments that were able and willing to mobilize resources and people and were able to back up their economies with power. ‘If I were forced to indicate what to my view would be the fundamental cause of the rise of the West in all its varieties, including the economic Great Divergence, I would refer to this non-monopolization (of the sources of social power, EV) but at the same time close interaction of the sources of social power, between and within states, and its differing effects in different contexts. It fuelled Western Europe’s dynamism in the context of which economic modernization could and

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17 Vries, Escaping Poverty, 438.
18 Vries, Escaping Poverty, 433. Further on he writes: ‘when it comes to explaining the Great Divergence, mainstream economic theory with its focus on free market, fair competition, and market-supporting institutions including a ‘minimal’ state, is fairly irrelevant at best and in most respects downright wrong.’ (438)
19 Vries, Escaping Poverty, 47. In this respect Vries adopts the Braudelian/Wallersteinian definition of capitalism as an ‘anti-market’ (see e.g. 432).
20 Vries, Escaping Poverty, 401.
21 Vries, Escaping Poverty, 402-403. ‘The economic trajectories of Great Britain and China over the early modern era were not similar but very different.’ Thus the Great Divergence cannot be ‘a late, rapid, unexpected outcome of a fortuitous combination of circumstances’ (438).
22 Vries, Escaping Poverty, 74.
23 Vries, Escaping Poverty, 483-484
in the right ‘conjuncture’ would occur.’

Rather surprisingly for the unsuspecting reader, culture comes on top. Culture functions ‘as an ultimate and some might claim even more ulterior cause of economic development’, referring to the fact that Britain’s culture ‘at the eve of industrialization was clearly more open to change and innovation’.

**Debating The Great Divergence: scales of analysis**

Although the book proclaims some winners and a wide list of losers, it does not close the debate on the Great Divergence. That is not the book’s intention. It is first and foremost an important marker in its trajectory, a towering belvedere providing a wide vista on its battlefields. This allows participants and observers to survey the past maneuvers and contentions on the ground, and to evaluate the present and future state of the field. Eight of these participants and observers did kindly agree to climb the belvedere, and to communicate their thoughts about the state of the Great Divergence Debate. They were not asked to write a proper review on Peer Vries’ book, neither did they get specific binoculars to overlook the terrain cleared by Vries. The comments included in this collection are about and in response to his book. Collectively, they raise a number of observations and questions that frame the Great Divergence Debate as it is, and that can guide the debate towards its future. The Great Divergence Debate has instigated and fuelled some of the most fundamental issues within the field of world/global history. How can we understand processes of regional convergence/integration versus divergence/hierarchy within a global framework? How do we relate tensions of divergence within a context of increased connections? Why does increased integration go along with increased differentiation? These fundamental questions connect to three central themes and debates in contemporary world history: scales (regions, states, the global), methods (comparisons, connections, systems) and knowledge (data, analysis, interpretation). These are also addressed in the papers in this volume.

The Great Divergence is part and parcel of the chronometry and geometry of historical capitalism. Capitalism, as a social system, developed as a complex of stratified time, stratified space and stratified social power relations. Regions are a central node in this stratified complex. Regions in a world-historical perspective are not a given. They are multidimensional and overlapping, from the big Afro-Eurasian ecumene, over maritime regions, border areas and rim zones, countries and states, to small-scale social systems. Within a given region, people share clusters of traits or connections that are different from those that they have with people beyond that region. World historians are forced to invent and reinvent geographical schemes, to question the limitations of regional frames and to debate how to connect and integrate the various spatial scales. Interacting regional histories make the world economy; a developing world economy also re-makes regions. Most commentators in this volume stress the need for more bottom-up, regionally-focused research, always in dialogue with research that reconstructs global structures and dynamics. Economic dynamics that precede and feed the Industrial Revolution have a regional rather than a national base (Goldstone and Jones). Even the central state did not exert much impact on economy and society until well in the eighteenth century, according to Marjolein t’ Hart. She argues that focusing more on the role of local actors and their networks helps to avoid the use of encumbered...

24 Vries, Escaping Poverty, 434-435.
25 Vries, Escaping Poverty, 435-436.
26 Vries, Escaping Poverty, 438: ‘The debate on the Great Divergence is still open.’
and often ahistorical concepts such as inclusive institutions, fiscal-military states and mercantilism. In world history, widening the research lens comes together with multiplying scopes, e.g., by adding new regional stories in the equation (Parthasarathi). Mokyr, in turn, asserts that larger, supra-national levels of analysis must be inserted, in his case to emphasize a more general European cultural change that must be connected to subsequent economic revolutions (which we term the Enlightenment). The Industrial Revolution, he adds, was led by Britain, but it was a European phenomenon.

**Debating The Great Divergence: methods, sources and paradigms**

Refreshed research perspectives such as reciprocal comparisons (regions as subunits), integrating comparisons (cycles as subunits), network analysis (connections and flows as subjects) and systems analysis (processes of integration/resistance in hierarchical systems) allow for a more bottom-up focus within global research. Scholars of the ‘Californian School’ have made a strong case for the method of reciprocal comparisons, which aims to avoid approaching non-Western histories from the stylized facts of European history and to turn away from pre-determined world-views. The method of reciprocal comparison can give historical research more analytical rigor by forcing researchers to formulate problems, ask questions, look for answers and develop explanations in a more structured and systematic way. A central question remains: which spatial units permit meaningful comparisons and to what extent are the units of comparison connected within broader webs or systems of interaction? Using multiple spatial frameworks has tended towards more narrative approaches, and trans-regional comparisons have retained spaces of various sizes and definitions alongside nations and global systems as units of analysis. Regardless of how the Great Divergence Debate fares in future research, it has influenced and stimulated work on various other areas and periods. This influence is clear in the way it avoids the sharp categorical distinctions central to other approaches within modernization and globalization studies. It does not a priori deduce a place’s prospects from its location within global networks, it suggests the possibility of multiple paths of development, it stresses several continuous, rather than dichotomous, variables and it makes global ties influential, but not decisive by themselves. It stresses that regional units of various kinds and sizes remain important to the story of global economic history. It contextualizes and sometimes rejects concepts from Western social sciences (’t Hart). In earlier contributions, De Vries has questioned the scientific validity of the two methodological reforms within the Great Divergence Debate: reciprocal comparison and institutional equivalence. Eric Jones even denies the substantial contribution of Eurasian comparisons: ‘Two-way comparisons may prove inconclusive since each is liable to reflect back only the other. The danger is of treating their differences as if they were of universal rather than special significance.’ His advice is to retreat to the (intra-European) Little Divergence ‘and not concern ourselves so much with the Great Divergence between Europe and the very different circumstances of China.’ Parthasarathi, on the contrary, stresses the need for a more

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genuine supra-regional perspective, looking for more connections and superseding the disjuncture between European and non-European knowledge.

In addition, historians making comparisons often face the challenge of a lack of data and of scholarly work to create comparable accounts from widely differing sources, compiled under very different assumptions and purposes. Some collaborative networks responded to this challenge by compiling large-scale sets of quantitative-economic data over time and space, such as prices, wages, and estimates of GDP (The Global Price and Income History Project at UC-Davis; The Madison Project at the University of Groningen; CLIO-Infra at the International Institute of Social History; CLARIAH - Common Lab Research Infrastructure for the Arts and Humanities). Of course there are limitations to this. For example, GDP estimates exceeding the nineteenth century are tentative at best, useless at worst. Wage-based proxy for living standards remain perilous since until deep in the twentieth century outside Western Europe wage labor remained a small minority and took different positions in different societies. O’Brien and Deng challenge the limits of the so-called Kuznetsian paradigm for empirical economics in the Great Divergence literature. They raise serious doubts about the validity and viability of comparable, large-scale quantitative datasets that aim systematically at comparing Great Britain and China (and other world regions). We need new and fresh archival research (‘It is time for global historians to take that path’, according to Parthasarathi), we might even need other paradigms and historiographical traditions for the construction of metanarratives, ‘a second best solution to an intractable problem of uncovering ‘facts’ that can travel in order to facilitate reciprocal comparisons between Europe and China’ (O’Brien and Deng). Several authors (Goldstone, De Vries, and Vries throughout his book) debate wage and income data, showing how they can be mobilized in very different interpretation schemes.

Escaping The Great Divergence?

The Great Divergence, the single most important debate in recent global history, both enlarged and redirected the long-standing convergence/divergence dispute in social sciences. It unlocked new fields of research, introduced new approaches and created new data and knowledge. It has sharpened the discussion on the potentials and limits of a ‘global’ or ‘world’ perspective. It has opened up fixed narratives that universalize particular, space-time bound experiences. It has taught us, amongst others, that capitalism is not an invention of eighteenth century England and that it has its origins on a world scale from its start in the long sixteenth century (recalling Marx’ famous quote that ‘world market and world trade date from the sixteenth century and from then on the modern history of capital starts to unfold’). Global capitalism is something completely different from the expansion of free, Smithian markets. Despite a more holistic method of analysis, interpretation schemes tend to remain monocausal, still focusing on the ‘why not’ question. Most authors in this volume agree that the roots of the Great Divergence need to be explored in all their complexity, related to a wide-ranging process of social change. Peer Vries’ book shows clearly that single-factor

explanations, even stretched to (and over) the breaking point, are unable to cover the enormous range of transformations and innovations that arose with the emergence of modern economic growth. No one doubts the need for a long-term perspective, at least covering the period 1500-1850 and all its ‘great reversals’; all authors in this volume will agree. There is less agreement on the impact of the large time-perspective on the Great Divergence Debate. Vries maintains that the central focus should be on the long eighteenth century and the age of the Industrial Revolution. Goldstone states that the multiple ‘great reversals’ are too complex to be fully summed up in the notion of the Great Divergence. It would even make the intense discussion about prior income levels or prior rates of economic growth in different commercial centers in Europe and Asia superfluous. De Vries adds that it will make ‘a big difference to the nature of the claims the Great Divergence interpreters can make about the larger meaning of what everyone agrees on - that there really was a divergence’. Research into pre-industrial change in England and Europe will confirm, according to Jones, that industrialization did not spring out of thin air (read: from the availability of coal and colonies).

Last, but certainly not least, the dynamics within the Great Divergence Debate push it to go beyond its own terms and to transcend its own limits. Perspectives and methods tested within the Great Divergence Debate challenge more general interpretations of the history of global capitalism. This continues to raise a contested intellectual dilemma, phrased by Joel Mokyr as ‘there is something profoundly unattractive about the notion that Europeans were in any sense ‘superior’ to those whom they surpassed so obviously in economic and technological achievement after 1750 and dominated politically for many decades.’ The Great Divergence Debate has taught us that a world history perspective is able to deconstruct both theories with universal aspirations derived from the historical experiences of the peoples of Northwestern Europe and North America, and the assumption of the state and the national or regional economy as the basic, self-enclosed and self-evident unit of analysis. By doing so, world historians have opened new windows on the global past and constructed visions related to this past from twenty-first rather than nineteenth-century perspectives. World history does not reconstruct a singular march of humanity toward modernity; it portrays messy worlds and a multitude of historical experiences. It constructs visions of the past that are capable of accounting for both fragmentation and integration on multiple levels (local, regional, national, continental and global). It builds frameworks permitting historians to move beyond the issues that have been dominating social sciences since the nineteenth century: cultural distinctions, exclusive identities, local knowledge and experiences of individual societies and states. It facilitates the study of large-scale, border-crossing comparisons, processes and systems. I disagree with De Vries that ‘the Great Divergence interpreters were really attempting something else, to ‘escape history’: to approach the history of Asian societies without the heavy burden of political failure, economic backwardness and cultural inferiority hovering over every research question.’ I agree with him that the work of the Great Divergence interpreters seeks to allow people to re-imagine the future. A world-

33 The main title of Peer Vries book, Escaping Poverty, is in this perspective not only odd (atypical in a book that deconstructs so many myths and clichés), it is also misleading. It risks to rectify both a flat and a-historical view on ‘the normal state of affairs’ of poverty, stasis and stagnation in global history (page 13, 66-70), and on the equally flat and a-historical trend of modernization, eradicating poverty as a state of backwardness. See also the remarks of Parthasarathi.
historical perspective pushes for more cosmopolitan thinking, questioning old and new processes of integration, differentiation, adaptation and resistance. It does not essentialize new concepts like the non-West, the Global South or the subaltern. It tells us about the complexity of both past and present worlds; it makes moral claims about the way in which the world functions today and how it could function tomorrow. Does this imply that we need to escape the Great Divergence? No, we don’t. Do we need to go beyond it? Yes, we do. The book of Peer Vries has cleared the messy field, has suggested new paths, and has pointed to new horizons. It is up to us to explore them.

In this respect, the concluding section in Peer Vries’ book is telling: ‘Epilogue: A rise of the East?’ (Vries, Escaping Poverty, 478-493). He concludes with his ‘hunch’ that we enter today in a world that is becoming both neo-Malthusian (a limited availability of resources) and neo-mercantilist (an economic rivalry between countries over scarce resources), and thus resembles more the world before mass industrialization than the world of the nineteenth and twentieth centuries (493).