

## Book Reviews

Comparative Political Studies

Volume XX Number X

Month XXXX xx-xx

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Findlay, Ronald, & O'Rourke, Kevin H. (2007).

*Power and Plenty: Trade, War, and the World Economy in the Second Millennium.*

Princeton, NJ: Princeton University Press.

DOI: 10.1177/0010414008327421

As the social sciences have become more specialized, areas of both substantive knowledge and theory have become narrower. It is unusual for us to step back from the cases we study or the theories with which we are comfortable to view politics or economics in the grand sweep of history. In this book, two exceptional economic historians counter this trend by examining the past thousand years through the lens of long-distance economic interaction—what modern economists call global trade. By adopting a broad view across such an expanse of both space and time, Findlay and O'Rourke are able to perceive patterns that few others have identified and bring a compelling new perspective to several historical and theoretical debates that benefit from a larger view.

The greatest strength of *Power and Plenty* lies in the insight it offers from this broader perspective. For both social scientists and historians, this book will challenge conventional wisdom and suggest new avenues of research by showing the ways in which long-distance trade affected historical events and trends that are usually examined in isolation. Such diverse puzzles as the pattern of Viking raids in northern Europe, the turn away from seaborne exploration and trade by the Sung and Qing dynasties in China, or the process of technological innovation in the 18th-century British textile industries are each shown to be linked in unexpected ways with events thousands of miles and decades or even centuries distant. On the basis of an impressive mastery of diverse secondary literatures, the authors illuminate a world of premodern globalization where currents of wealth and power flow from control over contact with distant lands.

It is not surprising that this contribution is greatest for the eras before what we normally think of as the dawn of global trade. This makes the first six chapters—examining trade history from 1000 CE to the early Industrial Revolution—the most novel and compelling. The authors begin by reviewing the economic and political conditions in seven regions encompassing Eurasia and North Africa as they stood at the dawn of the second millennium. These regions, which map very roughly to the global “civilizations” identified by Huntington (1993), include western and eastern Europe; south, southeast, east, and central Asia; and the classical Islamic world covering the Middle East and north Africa. The choice to structure the book's narrative around these regions might have been better explained, but the relative cultural cohesion within and variation of natural resources (and hence natural gains from trade) between them makes this an analytically useful and defensible simplification.

From the beginning of the millennium, Findlay and O'Rourke find a range of economic links between these regions that will surprise social scientists whose

knowledge of trade history begins with Adam Smith or Ricardo's arguments against mercantilism. In these centuries, political orders that rose and fell within each region facilitated and controlled the overland and coastal trade of high-value items, such as slaves, gold, spices, silks, and textiles. This trade—fairly consistent in content and reliant on simple and unchanging transportation technologies—was easily disrupted by war or strangled by taxation along its lengthy overland routes, but it served as the foundation of the enormous wealth of empires across central Asia and the Middle East. Chapter 3 develops the macro-history of the ancient trade routes from East Asia to western Europe and traces the effects of the rise of the Mongol empires and the Black Death on each of the authors' seven regions. This is accomplished by combining price data and existing analyses of trade and taxation in each region to develop a general picture of how parts of each complex regional economy became monetized and participated in this rudimentary global economy.

The picture that emerges of trade in these centuries is one that economists will recognize, using the basic tools of relative prices, arbitrage opportunities, transportation costs, and various forms of tariff restrictions and trade monopolies to structure their analysis. But as useful as this framework is, other disciplines might find the analysis narrow. From the perspective of political science, it is striking how closely trade is linked with the concerns of governance and power. Chieftains, court favorites of kings and emperors, trading guilds, and adventurers licensed by a sovereign drive the economic contact between regions in the first three chapters, and the reader is forcefully reminded that the bright line drawn by the modern social sciences between coercion and exchange is a recent and artificial boundary.

As their history moves into the mercantilist world of the 16th and 17th centuries, one form of the link between trade and power takes center stage. The states of early modern Europe developed not only national naval power but also a system of quasi-public merchant companies to both create trade routes that circumvented the Islamic control of overland trade and to ensure their national control over these new trade routes. In chapters 4 through 6, the origins of both European states and their empires are explained in terms of the link between dynastic ambition and the ability to control the wealth generated by trade.

These chapters again provide an important contribution based on their breadth and the ability of the authors to integrate a complex history. Few others have examined the period from the exploration of the American continents through the Napoleonic Wars in terms primarily of trade conflict. For European historians, this perspective will cast new light on the wars of the 18th century and the ways in which the institutionally developing states of Europe were shaped by the need to protect, control, and capture the gains from long-distance trade. Although Findlay and O'Rourke do not explicitly take up the task of explaining state building and the emergence of both political and economic institutions in northwestern Europe, these chapters nonetheless offer important insights.

Especially interesting as a matter of economic history is chapter 6, which examines the Industrial Revolution in the context of global trade as it had developed by

the early modern era. Here the authors move beyond synthesizing existing secondary literatures and draw together the strands of history they have identified to make persuasive arguments that key technological innovations, the availability of relatively low-cost raw materials, the price effects and investment incentives produced by higher manufacturing demand from foreign markets, and the build-up of investment capital in Britain make it impossible to understand industrialization as exclusively a British or even a European phenomenon. Though not a parsimonious account of Britain's (and eventually the world's) "great transformation," it is a fascinating one that has seldom been made with such sophistication. By drawing together the threads of a surprisingly integrated global economy that converged in 18th-century Britain, the authors construct an argument that few other social scientists or historians would be able to make. I would not be surprised if this chapter becomes a classic that supplements courses on the Industrial Revolution and suggests new areas of research in economic history.

The last four chapters tread more familiar empirical and theoretical ground, examining the 19th-century Atlantic economy, the disruptive effects of the two world wars, and the creation of a new global trading order since 1945. In these areas, *Power and Plenty* offers an effective summary of existing research, but its original contribution is less compelling. For readers primarily interested in the "first globalization" of the *Pax Britannica*, O'Rourke and Williamson (1999) offer a history that engages theoretical debates and synthesizes the politics and economics of the long European peace in greater depth. Looking at the 20th century, the authors admit (p. 471) that the effects of the First World War and the Great Depression strike their history as exogenous shocks and largely confine themselves to chronicling how the effects of these disruptions were transmitted through networks of financial and trade interdependence with disastrous results. The contribution here is again more one of a broader perspective than of theoretical innovation. The connections between different aspects of the world economy, such as factor mobility, tariffs, and exchange rates, are brought to the surface in ways that more focused works, such as Eichengreen's classic *Golden Fetters* (1992), cannot match.

The final two chapters trace the development of globalization since 1945 as both a political and economic phenomenon. As in other areas, Findlay and O'Rourke's contribution to the analysis of recent history is one of a broader perspective. They conclude by reminding the reader of the interdependence between political order and trade, arguing that global economic integration is an unfinished story, the future of which will be determined by political choice and the resolution of conflicts over energy, agriculture, and technology hardly guaranteed to be peaceful.

Judging the book as a whole, it must be evaluated in terms of the two distinct but complementary tasks undertaken by the authors. First, it reviews the history of long-distance trade from the 10th century to the present, connecting this history with a range of economic, political, and social changes. This historical narrative synthesizes an impressive range of secondary sources and would by itself be a worthwhile contribution for social scientists and historians. The historical narrative is lively and

engaging, and the authors use it to show how the interaction of regions and of specific social groups across these regions can help to explain not only economic change but also technical innovations, linguistic change, or interesting developments in culture, architecture, or religion. These observations are sometimes unsystematic—brief glances at a historical landscape that is speeding by too quickly to understand in detail—but that is unavoidable when examining such a long period across such a wide geographic range. The numbers of slaves or soldiers reportedly commanded by a historically obscure monarch, competing population estimates for Islamic cities of the 11th century, or reports of summer pollution in 14th-century Cairo enliven the history but sometimes obscure the main points.

The second task involves making the argument that is implicit in the book's title, and it is here that the book is less satisfying. The argument that Viner's (1948) insight about the necessary link between power and trade in the mercantilist systems of the 17th and 18th centuries can be broadened to include other eras and other constellations of political and economic order is exceptionally powerful. During the course of a thousand years and across a stage that eventually includes five continents, however, Findlay and O'Rourke find too much diversity and complexity to develop this point in a consistent or theoretically sophisticated way. As a result, the link between power and plenty that gives the book its title is more of a recurring motif than a clear causal argument. It is pointed out in different contexts and applied to a range of actors from the Mongol Khanates (p. 106) to the Portuguese Estado in the Indian Ocean (p. 156) to the Dutch and British East India Companies in the classical era of mercantilism. This leaves the reader convinced that the connection exists but provides little help in creating a general model of how it will be manifest or why it will develop differently in diverse places and times.

Robert D. Fannion  
*Harvard University*

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