



The Centre for Global Economic History

Launch June 17





Why CGEH?

- New trends in economic history: from regional/national perspective to international-comparative/global perspective
- Inspiration from social sciences (new institutional economics)
- Big issues: 'great divergence' debate; global inequality, long-term success and failure of countries





Why in Utrecht?

Large group of economic and social historians,

Wide range of research projects:

- Capital markets Low Countries (Gelderblom and Jonker)
- Corporate collective action and marriage patterns (De Moor)
- Institutions and long-term economic change in Iraq, Italy and Low Countries (Van Bavel)
- Polder-model in Low Countries (Prak and Van Tielhof)
- African economic development in 20th century (Frankema)
- Human Capital Formation in the world economy (Van Leeuwen and Foldvari)
- Patterns of urbanization (Bosker and Buringh)
- BINT and BINT+ comparative study of business systems (Sluyterman, Dankers, Bouwens and Westerhof)
- Clio Infra: reconstructing global inequality 1500-present (Van Zanden)
- Perhaps Growth and sustainability (Van Zanden)





Common features

- Long-term economic and socio-political change
- Central role of institutions
- Inspired/driven by theories from social sciences (NEI)
- Quantitative; large datasets
- But also, focus on Europe, focus on pre 1800 period





Activities CGEH

- Seminar series
- Conferences on global economic history (marriage patterns, law and economic development etc.)
- Working paper series
- Exchange students and scholars (visiting fellowships)
- Brill series in Global Economic History





Today's topic: dialogue with development economics

- This is not new: development economics since 1950s:
- 1950s/1960s 'Tinbergen paradigm'
- Since 1970s (Wallerstein): more attention to historical change, institutions (North)
- Perhaps since 1990s NIE the dominant paradigm?





NIE's rich harvest

- Broadened scope of research: 'narrow' economic models replaced by 'wide' spectrum of institutions
- New research on links between: state (good governance, corruption, instability), law, demographic patterns, gender, social capital, trust, even religion
- Much 'deeper' understanding of the historical and societal forces behind 'development'
- Development is much more complex, and therefore more difficult to steer





Resulting in stories about path dependence

- Wallerstein: global inequality due to 16th century creation of modern world system
- Acemoglu et.al.: persistence of (political) institutions; 'reversal of fortune' caused by incidence of malaria
- Nunn: problems Africa and Carribbean due to slavery 17th and 18th centuries
- Kuran: stagnation Muslim world the result of Islamic institutions
- Those stories 'sell well' and make clear that history matters





So, are we doomed by our past?

- ‘the long shadow of bad political institutions’: is there no freedom, no agency, no choice in history?
- Is that our point?
- Policy implications: development aid does not matter because it will not help to fundamentally change institutions (because it is impossible to change institutions)?





This view may be a by-product of focus on institutions
only

Institutions are by their nature persistent and stable
(North)

Even after their disappearance they may have long-term
effects (slavery)

NIE tends to focus on the ‘unchanging’





And of the ‘compression of history’

- Gareth Austin: there are many causal chains/events/choices between 17th century slavery and 21st century underdevelopment
- Even if there are correlations, they are imperfect, and always much below 1.0





How to rebalance?

Amartya Sen: development as freedom; double hypothesis

- Freedom (or agency – the capacity for autonomous decision making) is the true measure of development
- Giving agency to people will enhance development

Central hypothesis of project Agency, gender and economic development in the world economy 1850-2000





Agency-project

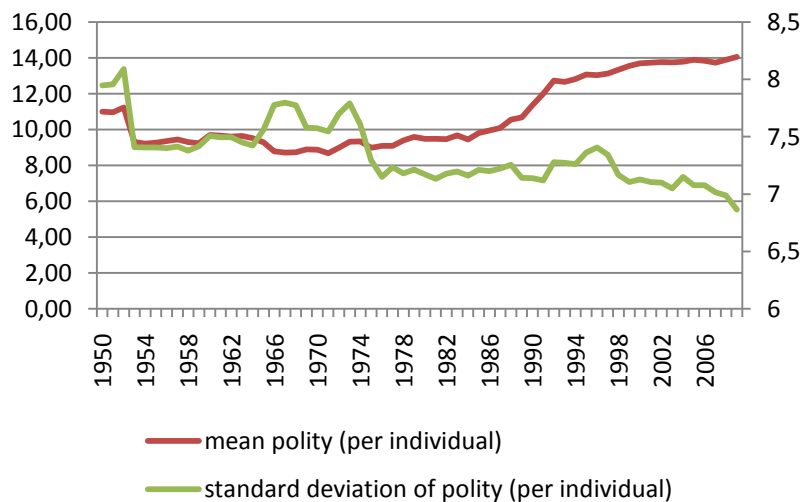
- Why is there a positive link between agency at micro and at macro level and economic development (but no perfect correlation)?
- Agency concerning marriage and family formation increases with urbanization and income
- Democracy (political agency) also increases with income



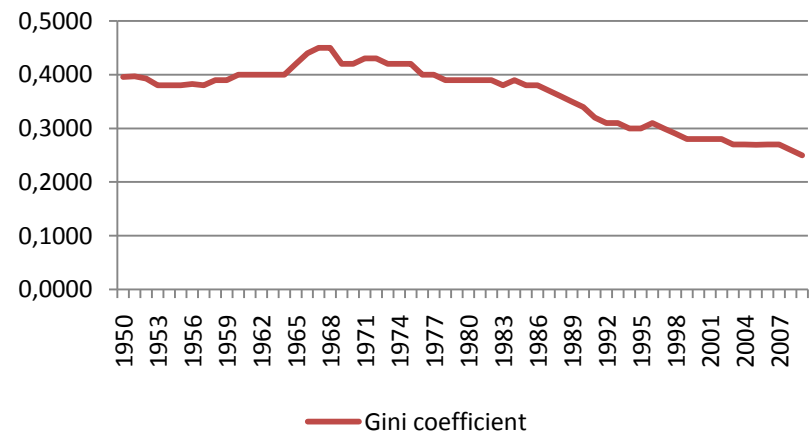


The (in)stability of political institutions

The mean and standard deviation of the Polity IV (total world)



Gini coefficient of polity IV (total world)





Agency and Institutions supplement each other

- ‘Total’ agency means Hobbesian war of all against all
- You need stable institutions to channel agency
- And you need to consider agency to get away from the ‘unfreedom’ of NEI-meta narratives
- More room for ‘old fashioned’ (political) history – for revolutions (Marx-inspired tradition), political choices – less compression of history





Development needs – like a car – an engine and energy

- Stable elements (institutions): the engine
- That channels the energy of agency (people who aim at improving their lot; shape their own lives)
- The more efficient the engine is, the better it uses the agency of people, the more development it will generate

