

Prasannan Parthasarathi,  
*Why Europe Grew Rich and Asia Did Not:  
Global Economic Divergence, 1600-1850*

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More than 10 years have passed since Kenneth Pomeranz, in his *The Great Divergence*, sparked the divergence debate among economic historians. This debate addresses some of the fundamental questions of economic history: why some countries became rich while others did not; when the origin of the world inequality is; to what extent institutions, resource and factor endowments, and knowledge have contributed to economic development or industrialization; how path-dependency was shaped; and why it was Britain, not others, that achieved the Industrial Revolution first in human history. So far, quantitative approaches have been dominant, and comparative approaches between two or more regions in Eurasia have played a critical role in such analyses.

Parthasarathi's book is aimed to contribute to this debate from the point of view of India, but its methodology is less mathematical (there are only 8 tables and no complex mathematical formulae in the book). The author tries to compare the economic experiences, mainly of Britain and India, as Pomeranz does with Britain and China. This choice of main targets would make readers wonder to what extent Britain and India can represent 'Europe' and 'Asia', even if the British and Indian economies were advanced by the standard of each region in the seventeenth and eighteenth centuries. A similar question is raised at the point that the author compares Lancashire, the leading region of the British cotton industry, with South India, a leading region of the Indian cotton industry (p. 153). The author also chooses Belgium, France, Central Europe, the Ottoman Empire, China and Japan as additional cases to be compared with Britain and India. And these comparisons draw upon three principles related to the world in the seventeenth and eighteenth centuries: (i) each region faced different political, social, ecological and economic pressures and needs that shaped individual decisions, choices and actions; (ii) such human agency in turn created plural paths of economic development; and (iii) in terms of the determination of the trajectory of change state policy also mattered. Comparisons based on these principles encourage the author to argue that India developed its economy and scientific culture

as much as, or in some respects superior to, Britain at least until the eighteenth century. Grain earnings for weavers, spinners and agricultural workers in the mid-century South India and Bengal (both were advanced regions in India) were comparable to the same occupational groups in Britain, and this comparison, together with criticisms of recent major works, gives the author confidence to overturn the traditional belief that Europe was wealthier than India (pp. 37-46).

The author underscores that there were two pressures Britain faced 'which were absent in India and only partly found in China' (p. 10): the challenge from global commerce in Indian cotton textiles on the one hand, and the shortages of wood caused by deforestation on the other. The responses to these pressures led Britain to the breakthroughs in its economic activities, namely the Industrial Revolution. As a consequence, the economic developmental path of Britain took a different turn from that of India and other Eurasian countries. The author does not regard the competition from India alone to have provided the grounds for the developmental path of the British economy. A conjuncture with state policy mattered. For instance, the Calico Acts not only protected the local silk and wool interests but also encouraged cotton manufacturers in Britain to attempt an imitation of Indian goods and invention of new technologies and machines so that British manufacturers could enhance the productivity and quality of textile to a considerable extent. The crux of the matter is forms of protectionist policy. While Britain banned the consumption of cotton cloth from India in the early eighteenth century, France prohibited printing as well as consuming cotton cloth, which is why the development of the French cotton industry lagged behind Britain. In Chapter 6, the author extends discussion of the role of state policy on the divergence to ecological problems, specifically coal in Britain and China, and deforestation in Britain, Japan and India. Unlike Pomeranz, who argues that the location of coal is a critical factor to explain the different paths between Britain and China, the author stresses as the cause of the energy divergence to the nineteenth century: (i) differing degrees of interest of these three states in coal and the preservation of forests and (ii) the presence/absence of ecological pressure.

As mentioned above, this book is designed to contribute to the divergence debate. As highlighted in Chapter 4, the author reverses a major trend of the debate, namely the inward-looking explanations of the cause and development of the British Industrial Revolution, by retracing the literature on weaving and printing of cotton textiles in Britain up to Edward Baines' works and incorporating more contemporary voices to make it clear that global channels with India propelled innovations in weaving, dyeing and printing of textiles in early modern Britain so as to match the quality of Indian cotton textiles. Also, Chapter 7 examines the fact that Indian rulers had a great interest in enhancing their intellectual

activities in the seventeenth and eighteenth centuries, and rejects the modern propositions that see scientific and technical knowledge as something unique to British economic development. With a number of historical examples the author points to the similarity in intellectual development between India and Britain. In this way, he inserts Indian economic history into the context of the divergence, and challenges Orientalist writings and market-driven assumptions.

However, it should be noted that when it comes to plural paths of economic development it is far from clear what kinds of developmental path, such as capital- or labour-intensive development path, the author assumes for Britain, France, India, China, Japan and so forth. It is also worth thinking about how human agency reshaped the developmental paths of these countries from the seventeenth to nineteenth centuries, and to what extent the reshaped developmental paths in the early nineteenth century implicated economies in later periods to the present. Indeed, readers are left in the end, without a sense of any linkage between the past economic experiences of India and the economic resurgence since the economic liberalization in the 1990s, though the author corrects the widespread biased assumptions regarding the pre-colonial Indian economy in many ways. Such an effort produces an impression that 'We no longer have a stagnant East that is contrasted to a commercially dynamic West' (p. 84). This statement is absolutely right, but not necessarily new. Recent studies, especially on the Indian Ocean world, have already challenged Orientalist narratives.<sup>1</sup>

This book is a most readable one and is welcome, in particular, to non-specialists of economic history and those who are eager to know about India's role in the global economy from a long-term perspective. While some arguments in this book are still open to debate, this book may well mark a milestone in the debate over the divergence in the past decade, and for this reason deserves wide attention.

[Cambridge: Cambridge University Press, 2011]

#### NOTE

1. See M.P.M. Vink, 2007, 'Indian Ocean Studies and the 'New Thalassology'', *Journal of Global History*, vol. 2, issue 1, pp. 41-62.