

# ONE

## Causes and Consequences of Backwardness

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The classic question—Why did the Industrial Revolution take place in the West, and why in England?—remains as interesting today as ever. To pick a particular answer is not merely to conclude that one set of data or another support a “Weberian,” “Marxist,” or one of several other available theories. To take sides in this debate about history is also to have a position about some important contemporary issues. What causes economic growth? Are there moral justifications for politically unpleasant solutions to the problems of slow growth? Are there cultural traditions that somehow “merit” destruction because they impede development? Assigning historical blame or praise to specific policies, institutions, and beliefs need not be a mere mask for involvement in today’s controversies. For some intellectuals, perhaps, and certainly for professional social scientists, careful reevaluations of key historical issues may also alter opinions about contemporary controversies. It may be too much to expect that serious historical inquiry will have any direct influence on many people except through misplaced analogies and anachronistic parallels. But for a few careful students, the nature of the past necessarily illuminates the critical controversies of the present. This is outstandingly true of any explanation of the historical causes of economic backwardness in a region as sensitive to its past as Eastern Europe.

There are as many explanations about the causes of economic growth as there are theories of society. Some have long been discredited. Who would now make a serious claim, at least in North America or Western Europe, that inherited genetic traits of this or that population determine its propensity to progress? On the other hand, geographic determinism,

in a much more sophisticated way than in the early twentieth century, is making something of a comeback.<sup>1</sup> Cultural determinism, in the sense of claiming that at a certain key moment civilizations adopt a set of ideas, moral principles, and religious views that determine their future capacity to advance, retains a serious following.<sup>2</sup> There are Marxist explanations of what causes growth or backwardness. Class relations, that is, the way in which ruling classes extract surpluses from the producers, and the use to which they put that surplus, are seen by some as the key to understanding economic change.<sup>3</sup> Then there are the mainline economic historians, those Robert Brenner would call naive "Adam Smithians." They believe that people and societies have a natural propensity to grow and progress and that therefore economic advance is not problematic. Rather, in some circumstances, institutional perversions will block natural growth, but eliminating these restores the pristine conditions for growth.<sup>4</sup> A sociological variant of this theory, once called "modernization theory," believed that contact with Western modernism would free the traditional restraints against growth throughout the world and automatically produce progress.<sup>5</sup>

Strangely, classical Marxism, like classical liberal economic theory, did not consider growth problematic either. Both shared common nineteenth-century Western Eurocentric assumptions. Progress from feudalism to capitalism was "natural" and the stagnant non-Westerners, the "Asiatics," were a giant residual case. But in the twentieth century Marxists have made up for this failure by developing a quite different theory of economic stagnation based on the notion that Western imperialism, not domestic "Asiatic" attitudes or institutions outside the West, has been responsible for slow growth. Luxemburg and Bukharin theorized this way, and recently "world system theory" has extended this notion back to the fifteenth and sixteenth centuries to explain the last half millennium of economic history.<sup>6</sup>

For non-Western, relatively backward countries it is not hard to see the various consequences of each theoretical stance. Which is best: autarky or integration with the capitalist world economy? statist economic planning or market determined prices and investment allocations? emphasis on ideological education or on technical competence? These choices make up only a very partial list of questions whose answers could be altered by changing historical views.

When I began to organize a conference in 1983 on the causes of economic backwardness in Eastern Europe I thought that enough had been learned about the economic and political history of that region to offer some tentative but serious answers to larger theoretical questions

about the differences between more and less dynamic societies. Indeed, the scholars who assembled for a week of discussion at Bellagio in June 1985 represented an extraordinary accumulation of scholarly knowledge and experience in this field and in Eastern European history. Along with the authors of the essays in this volume there were also Joseph Love, a specialist on Latin American economic history and on the evolution of dependency theory; Jaime Reis, an economic historian who has worked on Brazil and Portugal; Jane Schneider, a historical anthropologist specializing on Southern Italy; and Waldemar Voisé, a historian and philosopher of science. Eric Hobsbawm, who has written not only about economic history but also about almost every important aspect of social, political, and cultural history, participated as a commentator, as did Ken Jowitt, an analyst of comparative communist politics, and Gail Kligman, an anthropologist specializing in the study of cultural symbols in Eastern Europe. Iván Berend, an economic historian of Central Europe, sent a paper but was unable to attend or later to revise his work because of his duties as President of the Hungarian Academy of Sciences.

As these papers and discussions progressed in the marvelous, serene, and somewhat other-worldly atmosphere of the Rockefeller Foundation villa on the hill above Lake Como and the town of Bellagio, it soon became obvious that despite theoretical disagreements and a rather broad range of specializations, there was substantial agreement about some very important points. Some of these related exclusively to Eastern Europe, but others were more general. It was particularly interesting to see Marxists and anti-Marxists, some from the East and some from the West, able to accept common conclusions about the nature and causes of economic backwardness.

One point, which I think everyone accepted, was that Eastern Europe was in some sense economically backward long before it was absorbed into the broader Western world market. This backwardness had roots in the very distant past, not in any distortions imposed on Eastern Europe in the last few centuries. Eric Hobsbawm put this issue in a nutshell by asking, halfway through the conference, why Albania was not as rich as Switzerland? Both countries were, after all, thinly populated, mountainous, resource poor, weak but fiercely independent, providers of mercenary soldiers, and backwaters for much of their histories. No one answered immediately because a good answer would have required a lengthy economic, political, cultural, and social history of both Switzerland and Albania and the contexts in which their histories evolved. The superficial structural similarities between the two countries, it turns out,

are interesting and worth comparing, but they could not be considered decisive. In a sense, this seemingly absurd question comparing what became Europe's richest and its poorest societies is anything but naive. Albania and Switzerland developed in entirely different contexts. One was centrally located in Western Europe and the other on the margins of a backward region. To understand why these contexts were so different is to understand the differences between Western Europe and the Balkans, between economic dynamism and stagnation throughout the late Middle Ages and much of modern history.

Robert Brenner's central point, that the economic dynamism of Western Europe—and a relatively small part of Western Europe at that—was exceptional, became a central theme of the conference. Eastern Europe's failure to keep up was not so unusual as to need a special explanation. Eastern Europe, or most of it, was more like the rest of the world, slow to change and progress.

Given that it is rapid growth rather than a tendency toward stagnation that is exceptional, it is not difficult to show why Eastern Europe was already backward in the Middle Ages and remained so in the twentieth century. It would have been a much greater challenge to explain why China, with its high population densities, developed markets, rich irrigated agriculture, and its scientific and philosophical sophistication in about 1000 A.D. under the Song Dynasty, did not become the world's most dynamic region. But that was not our task. (As Jason Parker, whose first specialty is Chinese history and who attended as an observer, put it, he had never before this realized how backward *all of Europe*, not just Eastern Europe, really was in the early Middle Ages.)

Robert Brenner's model of agricultural economies in Western Europe, particularly England, explains an important part of the West's progress. Had he chosen he might have extended his model by discussing the unique role of towns in the Western European Middle Ages.<sup>7</sup> He might have talked about the unusual set of circumstances that led to a long running political stalemate in Western politics between towns, kings, lords, and the Church.<sup>8</sup> The resulting political compromises set the stage for the uniquely flexible parliamentary system that allowed capitalism to flourish, especially in England, but in the Netherlands as well, and to a more limited extent in other parts of Western Europe. Throughout Northwestern Europe the combination of strong towns and the absence of strong imperial and Church rule allowed a kind of intellectual atmosphere that produced the major advances on which Western progress ultimately came to depend.<sup>9</sup> Eastern Europe, on the other hand, lacked many of the prerequisites for such developments. Whether

discussing Poland, Hungary, or the Balkans, the essays in this volume demonstrate that Eastern Europe was not just a little behind the West in 1500 or 1600, but very seriously so.

There was very substantial agreement during the conference that as far as direct East–West European comparisons are concerned, Brenner is right to say that fundamental differences in agriculture existed very early and were decisive in creating a drastically different potential for economic growth by the late Middle Ages. The issue of imperial compared to *Ständestaat* regimes, or of innovative scientific thought compared to a more conservative philosophical tradition, might have considerable bearing in a comparison of Western Europe to China, but would miss the more basic material contrast between the eastern and western parts of Europe. This was even more the case in the Balkans than farther north in parts of Hungary and Poland. A preponderance of pastoral economies over settled agricultural ones in many parts of Southeastern Europe, and some areas of low population density throughout all of Eastern Europe, made the situation unpromising.

But to have stopped there would have been unsatisfactory. This was, in fact, a point from which to begin. Eastern Europe may not have become backward because it played a peripheral role in the West's development, but it certainly did become dependent in the sense used by world system theorists. First Poland, then, to some limited extent, Hungary, and finally, much later in the nineteenth century parts of the Balkans became economic adjuncts of the more developed West.

What was the effect of that dependency? Was it as negative as world system theory claims it must have been throughout the world? Were the mechanisms of dependency primarily political or economic? What were the relations between these two? The study of Eastern European history from the late Middle Ages until the early twentieth century cannot answer all these questions definitively, but because the area has always been strategically placed near the West, its evolution can illuminate many of the relevant debates.

Eastern Europe is by no means a single entity. Péter Gunst's paper strongly supports the view that the greater the exposure to the West through migrations, trade, and even conquest, the more advanced a region became. This was true from the start of the Middle Ages when a series of distinct zones were created in Eastern Europe. Bohemia (which would not, today, be considered part of Eastern Europe if it were not for a political accident) became socially and economically almost indistinguishable from neighboring Bavaria and Austria. Despite its political subjugation in the early modern period it was not pushed back into any-

thing that might be called dependent backwardness. Large parts of western Poland and Hungary, though distinctly more backward than Bohemia, benefited from close relations with the West. By the sixteenth and seventeenth centuries these constituted another distinct area more advanced than places farther east. In a sense, then, one can argue, as Gunst does, that simply from the point of view of agrarian technology and organization there was a "Central Europe" quite early. Jacek Kochanowicz's essay fully concurs with this viewpoint. To the east, in the huge expanses of the Grand Duchy of Lithuania, Russia, the Ukraine, and in Moldavia and Wallachia to the south, a fundamentally more backward agricultural economy prevailed into the twentieth century.

Fikret Adanir's essay shows that the Balkans also formed a separate zone, so that on purely agrotechnical grounds one can argue that at the start of the early modern period there were at least four distinct parts of Eastern Europe. To a considerable extent these still exist. Contact with the West, absorption into the world economy, the rise of nationalism, even socialism have failed to eliminate such deep historical differences. The great transformations that have taken place since 1500 have been channeled into streams whose banks were partially formed before that time. It would be going much too far to say that the past has determined the present in any fixed or predictable way, but discussions at the conference showed how greatly past developments set limits on the possibilities for future change.

A confusing aspect of world system theory, at least in the form propounded by its leading advocate, Immanuel Wallerstein, is that it combines economics and politics as if both simultaneously sprang from a country's place in the world system. Therefore, Poland, the greatest political loser in the eighteenth century in Eastern Europe, is necessarily assumed to have been more backward than Russia. But if this kind of reasoning were applied to Western Europe, greater Burgundy should have become an economic backwater, too. Instead, divided between French and Habsburg rule, then further split by civil wars and foreign occupations, it remained economically dynamic. The Netherlands, Belgium, northeastern France, northwestern Switzerland, and southwestern Germany have never been economic peripheries in the modern period. On the other hand, even at its political height, Philip II's Spain was centered on an economically weak, agriculturally backward Castille.<sup>10</sup>

Russia's extraordinary political successes certainly need to be explained. That was not, of course, part of our main task. But the Gunst and Kochanowicz essays make a strong case for saying that no matter

how politically subjected they may have come to be, neither Hungary nor Poland, particularly their western parts, were as agriculturally backward as the "real" Eastern Europe, which would include Russia. For that matter, it is perfectly clear that whatever political and cultural damage may have been done to Bohemia, it always remained more developed and ultimately more economically dynamic than the rest of what we now call Eastern Europe.

In the Balkans, too, conventional political explanations about the causes of backwardness are shown to be unsatisfactory. The Fikret Adanir and John Lampe essays complement each other. The former shows that Ottoman occupation did not originate Balkan economic backwardness, and the latter proves that contact with the West in the nineteenth century cannot be blamed either. In fact, in the light of careful documentation and a synthesis of the recent historical work done on Balkan economic history, the very question of assigning "blame" to this or that political development seems frivolous. Such a complex interaction of ecological, political, and cultural forces were at work that any simple theoretical model would have to be suspect. Yet, the outcome of all these forces is less difficult to understand. The Balkans were quite typical of large parts of the world. They alternated between periods of prosperity and population growth that were inevitably followed by overuse of the land, ecological degradation, migrations, political chaos, and population decline. Local conditions varied but the basic pattern was closer in many respects to that in the ecologically fragile Mediterranean world than to the more fortunate temperate parts of Western Europe.<sup>11</sup>

As the conference proceeded, we asked whether we should not throw out the concept of dependency entirely. Our discussion convinced most of us that despite its flaws the concept certainly describes a situation that existed in much of Eastern Europe. Dependency may never have been a cause of backwardness as such, and in the case of "East-Central Europe" tighter contact with the more advanced West brought more economic benefits than losses, especially in the late Middle Ages. But as Kochanowicz's essay shows, by the late fifteenth century Poland and some of the rest of northern Eastern Europe, including the eastern Baltic, were becoming increasingly dependent on a technologically more dynamic West to which they sold grain in return for manufactured goods. In Poland this contributed to the decline of towns and played into the hands of the great magnates who were vying with the Polish state as well as with the lesser nobles for economic control of the land. Dependency may not have caused serfdom, but it made it a more profitable institution for the landowners. Centuries later, the effects of the growing

grain trade also turned a light and quite theoretical form of serfdom into a brutal form of peasant exploitation by landowners in Romania.<sup>12</sup> Contact with the West, whether in sixteenth-century Poland, or in late nineteenth-century Romania, did not automatically bring the benefits of progress.

This observation opened a fruitful debate among us at Bellagio. Why has contact with the West and with Western markets sometimes stimulated economic progress in backward regions, and why has it sometimes had the opposite effect?

The Kochanowicz essay helped us move toward a solution by unbundling political and economic effects. The imposition of increased obligations on peasants east of the Elbe (the so-called second serfdom) was a natural reaction to market pressures, to the need to raise more money in agriculturally backward areas with relatively low population densities.<sup>13</sup> But this did not determine political outcomes. More advanced Prussia to the west, and more backward Russia to the east of Poland, used increased surplus extraction as the base for the construction of absolutist monarchies. In Poland, on the other hand, the seeming immunity of their territory to outside intervention in the sixteenth and early seventeenth centuries persuaded the magnates that they could dispense with a strong state. Without an adequate urban base to help them against these magnates, the kings were unable to resist. In Prussia and Russia outside threats and invasions had much to do with the support lords gave to their rulers. By the time the high Polish aristocracy awoke to their vastly changed political circumstances, with absolutist predatory empires surrounding them, it was too late for reform. Neither dependency nor tardy serfdom had much to do with the political outcome.

On the other hand the combined effects of a weak agricultural base and political weakness ensured that the effects of dependency would be heightened in Poland. Without an adequate military industry or a strong central court to stimulate commerce and manufacturing, Poland's cities decayed and its commercial life remained too tightly bound to limited exchanges with the West. Russia, though fundamentally more backward, did manage to create an independent industrial base to service its military needs in the late seventeenth and early eighteenth century.

Paradoxically, it was only after Poland was finally divided and absorbed into other empires that parts of it began to progress. Western Poland's agricultural development benefited from contact with and a protected market in Germany. Russian Poland's industrial development profited from its privileged access to the huge Russian market. Just as in the case of Bohemia, whose relatively high level of development



made it a favored area for industrial investment in the Austrian Empire, political subservience actually fostered economic growth.

Prussian, Austrian, and Russian rule may have hurt Poland in some ways. But at a certain stage of economic development weak, small independent states may make it more difficult for their societies to grow than foreign dominators who need to use an area's comparative advantage to the fullest. (The long-run beneficial economic effects of Japanese colonialism in Taiwan, Manchuria, and Korea in the first half of the twentieth century are a more extreme example of this, and an object lesson to those who see all exploitation as a cause of economic stagnation.) But this conclusion applies to places that have substantial existing strengths and to imperial rulers intent on modernizing their politically dependent regions in order to strengthen their own political and military positions. This argument was made in Iván Berend's essay and can be found in some of his published writing about the complete lack of uniformity between the many so-called peripheries in Eastern Europe.<sup>14</sup> Political dependency is not, by itself, a meaningful predictor of economic dynamism.

In the case of the Balkans, political subordination had a rather different effect than in regions to the north. The Ottoman Empire's ability to alter the economies of the regions it controlled was limited to the fiscal measures it could impose. These could be serious enough, but they could not fundamentally alter very old cyclical patterns. Nor did contact with the expanded capitalist world system have much economic impact until the late nineteenth century. What did have an effect was the continual border warfare between Habsburgs and Ottomans. In the seventeenth and eighteenth centuries the border provinces on both sides of the shifting military frontier were abused by the unsettled conditions and military depredations of both armies. Whereas Habsburg rule finally turned to Hungary's profit in the nineteenth century when railways allowed the full exploitation of Hungary's agricultural potential, the more backward Balkan periphery gained no such advantage.

Balkan backwardness, as John Lampe suggests, was perpetuated by the area's lack of contact with the West, not by its peripheralization in the world system. When the world grain market finally reached Romania in the mid-nineteenth century, the extreme backwardness of its agricultural technology meant that the landowners, backed by their states, Moldavia and Wallachia, could only use *corvée* peasant labor to enter that market. This certainly made life more miserable for the peasants, but by the early twentieth century, in Romania as elsewhere in the Balkans proper, where commercial agriculture had been established,

technological progress was occurring. Dependency, then, for all its painfully unsettling effects, did not create or perpetuate backwardness in this part of Eastern Europe.

Here again, political circumstances had an effect on economic development, but not in the straightforward way posited by most Marxist or dependency theorists, and certainly not in the way suggested by modernization theorists, who have claimed that contact with the West and adoption of Western ways necessarily stimulate progress.

Both John Lampe and Gale Stokes agree that the nationalist efforts of the new Balkan states led to significant waste on show projects and the maintenance of artificially high exchange rates in order to reassure foreign lenders who financed government bonds. Late nineteenth and early twentieth century aping of Western European state structures, and dependence on the Western powers for government financing and international support detracted from economic growth. That was quite a different consequence of formal political independence than that which nationalist leaders and intellectuals had expected, and though the circumstances are very different, the experience of the Balkan governments a century ago bears some parallel to that of newly independent governments in much of Africa in the late twentieth century. Fiscal and political imitation of and reliance on the Western powers led to a form of dependency that was not exactly straightforward economic peripheralization, but was nevertheless economically inhibiting.

If no single theoretical model adequately explains backwardness and its consequences, this is because economic stagnation is not a single, unified phenomenon. Western dynamism from the late Middle Ages to the Industrial Revolution may well have been such a unique event that it can be fit into a single model. The rest of the world, even Eastern Europe, was backward in many different ways. There were different degrees of backwardness, different political and class histories, and different cultural traditions. But contact with the West eventually brought some uniformity that began in the late eighteenth century and became very evident in the nineteenth and twentieth centuries. It is this seeming uniformity, which should not be exaggerated, that needs more discussion.

Of course growing exchanges between all backward regions and the West consisted largely of primary goods sent out as exports and goods with higher technological inputs sent in. It could not be otherwise for areas not yet industrialized. That did not make all backward areas uniform, and it did not guarantee any common future pattern of development. Such trading patterns did not then and do not now ensure future

stagnation. If anything, the essays in this volume show that the opposite may have been true more often than not in Eastern Europe.

The great, overwhelming impact of the West on other regions as it came into contact with them, and on Eastern Europe in particular, was political. Western commerce may have been economically constructive or destructive, but Western political intervention always posed a deadly threat to local elites. They had three avenues they could take in response: reform to create polities strong enough to fight back; eschew reform and engage in a hopeless fight to the death as Western pressure increased; or accept a limited degree of sovereignty in return for serving the Western powers. Competitive state-building efforts began in Western Europe in the late Middle Ages, accelerated in the age of absolutism, and intensified during the French Revolutionary and Napoleonic wars. The process then continued and only culminated in Europe with the dreadful world wars of the twentieth century. But it is quite clear that throughout the rest of the world the process is still in full swing, and there are even indications that it has not yet run its full course in Eastern Europe. At first the strength of the Western European states was based purely on their economic development, though the stimulating effects of state building should not be underestimated.<sup>15</sup> But later, politics, the effort to build strong state structures, became the basis of economic growth. Political ambitions and ideals have been limited by what particular economies could bear, but economic limitations have set boundaries for political action, not vice versa.

In the nineteenth century virtually all the Central and Eastern European elites developed strong nationalist ambitions, that is, a desire to establish strong states under their control. They took as their ideals the strong Western countries, large or small, who seemed able to survive and thrive as independent nation-states. As the Eastern European countries gained independence in the nineteenth and early twentieth centuries they built their own bureaucracies, armies, and school systems. They hoped to achieve economic growth as well because this was so obvious a part of national strength. They all became, to a greater or lesser extent, somewhat amusing imitators of Western Europe, and the object of mockery for this in the West, much as the posturing diplomats and presidents of the small new states of the Third World are still viewed by all Europeans, Western or Eastern.

But these political efforts were anything but amusing. Nor were they quite as uniform as they seemed to be. As Gale Stokes' essay shows, class relations and class structures which existed before the construction of modern states had a strong effect on the political directions they ulti-

mately took. Using and modifying Barrington Moore's model allows Stokes to compare Eastern European political developments to those of other parts of the world. It is not surprising that the Czechs, based on the region's most developed economy, managed to create a working democracy. For those not familiar with modern Balkan history it may come as more of a surprise to discover that Bulgaria in the early 1920s came closer than any country in Europe to having a true peasant revolutionary government. In any case, underneath the structures that aped Western state institutions there existed a variety of arrangements that deeply affected the lives of their subjects. Here, too, the past remained to constrain the paths toward the future.

To summarize, the political power of Western Europe played a major role in Eastern Europe as it did everywhere in the world. In the most successful cases, strong states were built. But Prussia, Austria, and Russia stimulated nationalist reactions in all of the areas they controlled in Eastern Europe, and in the Balkans, the new states that emerged from the crumbling Ottoman Empire also adopted Western, nationalist forms of government. The seeming similarity of response, however many distinct paths it may have taken, has misled world system theorists, and many others, into thinking that there was an equal and parallel economic consequence of contact with the West. However much nationalist ideology may have wished it, the satisfaction of nationalist political goals could not overcome economic backwardness in a direct way. But as all of us who have studied and thought about Eastern Europe and other parts of the world that have undergone analogous experiences know perfectly well, such wishful thinking, flawed as it may be, is shared by the intellectuals and political elites in most of Eastern Europe and the Third World. Thus, it is not the theoretical errors of contemporary social scientists which matter so much, but the very real belief in these theories that have shaped more than a century of policy. Yet, the historical record shows that in Eastern Europe such naive economic nationalist theories are not capable of explaining the past.

This volume, and our conference, stopped in the early twentieth century. But we all agreed that our discussions and papers set the stage for a deeper understanding of the present. After 1945, a new kind of dependency was imposed on Eastern Europe. It was and remains primarily political, but political change has thoroughly transformed economic structures as well. Yet, once again, as was the case when Western influence ultimately created a certain political uniformity and a superficially uniform economic dependency, both uniformity and dependency are misleading. The different experiences of these countries is leading them

toward quite divergent routes in the late twentieth century. The past cannot explain or predict the future, but it can set very definite limits on change and direct its general direction. By showing the main patterns of Eastern European economic and political history from the late Middle Ages until the early twentieth century, we, the participants, hope that we will help others interested in more contemporary topics to begin their work with a better grasp of that past.

## NOTES

1. Eric L. Jones, *The European Miracle* (Cambridge: Cambridge University Press, 1981).

2. Shmuel N. Eisenstadt, "Cultural Traditions and Political Dynamics," *British Journal of Sociology* 32 (1981); John A. Hall, *Powers and Liberties: The Causes and Consequences of the Rise of the West* (Oxford: Basil Blackwell, 1985), pt. 1.

3. Maurice Dobb's classic Marxist text remains useful as an example. *Studies in the Development of Capitalism*, rev. ed. (New York: International Publishers, 1963).

4. This is a crudely simplified, but not unfair statement about Douglass C. North's *Structure and Change in Economic History* (New York: Norton, 1981).

5. Bert F. Hoselitz and Wilbert E. Moore, eds., *Industrialization and Society* (UNESCO: Mouton, 1963); Marion J. Levy, *Modernization and the Structure of Societies* (Princeton: Princeton University Press, 1966).

6. Immanuel Wallerstein, *The Modern World-System*, vols. 1 and 2 (New York: Academic Press, 1974 and 1980); Daniel Chirot and Thomas D. Hall, "World System Theory," *Annual Review of Sociology* 8 (1982); Eric Wolf, *Europe and the People Without History* (Berkeley, Los Angeles, London: University of California Press, 1982).

7. Emphasizing the special role of towns in Western Europe has a venerable pedigree. See Max Weber, *Economy and Society* (New York: Bedminster Press, 1968), particularly pp. 482-483 and 1351-1352; Marc Bloch, *Feudal Society* (Chicago: University of Chicago Press, 1961), particularly page 352. More recently, see Daniel Chirot, "The Rise of the West," *American Sociological Review* 50:2 (April 1985): 181-194.

8. Gianfranco Poggi, *The Development of the Modern State* (Stanford: Stanford University Press, 1978), pp. 36-59.

9. John A. Hall, *Powers and Liberties*, pp. 127-141; Wallerstein, *The Modern World System*, 1:165-221; Jan De Vries, *The Economy of Europe in an Age of Crisis, 1600-1750* (Cambridge: Cambridge University Press, 1976), pp. 243-254; Brian Wilson, *The Dutch Republic* (New York: McGraw Hill, 1968), pp. 230-244.

10. John H. Elliott, "The Decline of Spain," in Carlo M. Cipolla, ed., *The Economic Decline of Empires* (London: Methuen, 1970).

11. Of course, most of Southern Europe was subject to these kinds of swings, too. Jamie Vicens Vives shows a similar process at work in Spain in "The Decline

of Spain in the Seventeenth Century," in Carlo M. Cipolla, ed., *Economic Decline*. In fact, that seems to be the key to understanding the growing difference between Southern and Northern Europe during the "crisis" of the seventeenth century. See Eric J. Hobsbawm, "The Crisis of the Seventeenth Century," in Trevor Aston, ed., *Crisis in Europe 1560-1660* (Garden City: Doubleday/Anchor, 1967).

12. Daniel Chirot, *Social Change in a Peripheral Society: The Creation of a Balkan Colony* (New York: Academic Press, 1976).

13. For a general statement about the relationship between population density, market pressures, and servile labor, see Daniel Chirot, "The Growth of the Market and Servile Labor Systems in Agriculture," *Journal of Social History* 8 (Winter 1975), 67-80.

14. Iván T. Berend and György Ránki, "Foreign Trade and the Industrialization of the European Periphery in the XIXth Century," *Journal of European Economic History* 9 (1980).

15. Charles Tilly, *As Sociology Meets History* (New York: Academic Press, 1981), pp. 114-120.