

Call for Sessions - WEHC 2015 [S20111]

Proposed title of the session

Long-Distance Trade and Institutional Development Beyond Europe

Abstract

In recent years renewed attention has been paid to the role of Europe's long-distance trade and its particular commercial institutions in promoting sustained economic growth in the early modern era. Indeed, according to one influential study (Acemoglu et al. 2005), the rise of Europe can be attributed to the distinctive development of the post-1500 "Atlantic trade" (i.e., the trade conducted by the Atlantic states of Europe with the Americas, Africa, and Asia) in fostering fundamental political and institutional changes uniquely favorable to the security of property rights and commercial profits, which explain the "rapid differential economic growth in Europe." In this view, profits from the Atlantic trade and colonialism strengthened new merchant groups, opening the way for changes in political institutions that constrained expropriation by the monarchy and other established rent-seeking groups. This encouraged commerce and production for the market, and enabled the emergence of new organizational forms and technologies, which paved the way to sustained intensive growth thereafter. The argument for such interaction is illustrated by the particular commercial and political trajectories of Britain and the Netherlands vis-à-vis Spain, Portugal, and the Mediterranean economies between 1500 and 1850.

There are many grounds for contesting this line of argument—for example, Dutch and English merchant groups were quick to secure monopolistic rights from non-absolutist governments through the creation of chartered trading companies that prevented free entry into overseas trade. The assertion that the Atlantic trade generated sustained profits is by no means conclusive, and the welfare losses from a truly open commerce for the English and Dutch consumers have never assessed. More importantly for purposes of proper comparisons, scant attention has been paid to the nature and workings of long-distance trade institutions beyond Europe. Contrary to the assumption—resulting from projecting a conventional European mercantilist model onto Asian political economies—that absolutist political regimes inhibited maritime trade and private commercial profit in non-European societies, long-distance trade flourished in Asia and Africa in the pre-colonial era largely free from rent-seeking interference by "absolutist" governments. The papers in this panel will seek to elucidate the actual institutional frameworks for conducting long-distance and cross-cultural trade in the decidedly non-mercantilist economic environments of Asia and Africa and assess their implications for current theories on the role of governance institutions and political change in fostering economic growth and further technological and institutional innovations.

I. Corresponding Session Organiser

Prof. Richard von Glahn (University of California, Los Angeles [United States of America])

II. Co-Organiser(s)

1. Corresponding Organiser.
2. Prof. Alejandra Irigoin (London School of Economics [United Kingdom of Great Britain and Northern Ireland])

III. Expected Participant(s)

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2. Alejandra Irigoin (London School of Economics [United Kingdom of Great Britain and Northern Ireland])
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