

Part II: The postindustrial and postmodern nature of modern economies and the economy and business of soft power	337
8. The postindustrial and postmodern economy: science, and values The state, still a nonuniform entity 341 National identity and the role of the state 343 Population and family planning in postmodern society 345	347
<b>Contents</b>	354
1. Capitalism and Capitalism 354	354
2. The gradual revolution in Northwestern Europe 358	358
Locally dominant networks of agriculture and marketing the goods, regional and transnational units 361	361
State and market economy: Weberian socialism 363	363
3. List of boxes 365	x
4. List of figures 367	xi
5. List of maps 369	xiii
6. List of tables 371	xiv
7. Preface 373	xvii
<b>Introduction</b>	1
Content and comparative method: pan-European interconnections, major regional differences 1	1
Interrelated Europe: four distinctive paths towards modern economic transformation 6	6
Debates and differences 9	9
The time-span 14	14
What kind of economic history? 15	15

## Part I Gradual revolution

1. From merchant to industrial capitalism in Northwestern Europe 25	25
The global environment: Europe, the Islamic world, and China 25	25
Northwestern merchant capitalism and colonialism 27	27
New science and values 44	44
Demography, agriculture, and industry 54	54
The Industrial Revolution 63	63
Conclusion 77	77

## Part II Successful industrial transformation of the West

2. Knowledge and the entrepreneurial state 89	89
The spread of the new <i>Zeitgeist</i> 89	89

Science into education	102
The entrepreneurial state, promoter of trade and industry	105
<b>3 Agriculture, transportation, and communication</b>	119
The agricultural revolution	119
The role of agriculture in modern economic transformation	128
Transportation: canals and roads	130
Railroads	136
Communication and postal service	143
<b>4 The organization of business and finance</b>	152
Three consecutive banking revolutions	152
The insurance industry	163
Business organization, joint-stock companies, and the stock exchange	163
<b>5 Three versions of successful industrialization</b>	181
Long-surviving proto-industry	181
Fully industrialized Britain	188
British decline after 1870?	190
In the footsteps of Britain	196
Specialized agriculture combined with food processing	207
The second Industrial Revolution	214
<b>6 The miracle of knowledge and the state: Scandinavia</b>	239
The economic situation in the periphery: Scandinavia until 1870	239
Modern society without a developed economy	240
Rapid modernization and industrialization	244
<b>7 Demographic revolution, transformation of life, and standard of living</b>	260
Demographic revolution	260
The causes of the population explosion	264
Changing family functions and female labor	269
Urbanization	271
The standard of living and the diet revolution	272
<b>8 The Europeanization of Europe</b>	284
Colonial Western Europe in the globalizing world	284
The European idea and national integration	288
Institutionalized economic integration and trade	294
The West as a source of finance: capital flow into Europe	303
Did a European business cycle exist?	305

### **Part III The peripheries: semi-success or failure of modern transformation**

<b>9 The “sleeping” peripheries, traditional institutions, and values</b>	317
Time stands still	317
The demonstration effect: the West as model	332
Population explosion and emigration	340
<b>10 The Western sparks that ignite modernization</b>	354
Capital inflow to the peripheries	354
The rise of strong, modern banking systems	361
Building the modern transportation systems	364
Road and water transportation	364
Backward countries with developed railroads	366
<b>11 Advantage from dependence: Central Europe, the Baltic area, Finland, and Ireland</b>	377
Imperial markets and agricultural modernization	378
The beginning of industrialization	387
<b>12 Profiting from foreign interests: the Mediterranean and Russia</b>	401
Foreign interest and agriculture	403
Growth of the traditional grain economy in Russia	408
The impact of the grain crisis from the 1870s	417
Advanced industrial pockets and predominant proto-industry	418
<b>13 The predator Leviathan in peasant societies: the Balkans and the borderlands of Austria-Hungary</b>	438
Pre-modern agriculture – return to a grain economy	438
Lack of industrialization	448
Corruption and reluctant foreign investors	455
<b>14 Epilogue: economic disparity and alternative postwar economic regimes</b>	462
<i>References</i>	469
<i>Index</i>	512
6.1 Wood, pulp, and paper exports as share of total Swedish exports, 1881/3–1911/13 (Fridlizius, 1963)	253
7.1 Changing birth and death rates in Europe, 1800–1913 (Glass and Grebenik, 1965, 83, 97)	263
8.1 Europe's share of imports of primary products worldwide, 1876–80 (Lamartine-Yates, 1959, 226–32)	297
8.2 Capital exports worldwide, 1825–1913 (Kuznets, 1966, 324)	304