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Book Review: Koyama, Mark and Jared Rubin. *How the World Became Rich. The Historical Origins of Economic Growth.* Cambridge, UK: Polity Press, 2022. 259 Pp.

Since the start of the Cliometric Revolution over 50 years ago, the dominant research question in economic history has been how to explain the emergence of modern economic growth. In the first decade or so of this effort, the methodologies employed were some mix of simple neoclassical growth models, broad brush stylized facts from cross-country comparisons à la Simon Kuznets, and growth accounting analysis. The geographical focus was primarily on North America and Western Europe with a chronological focus on the period since 1800 or 1750 at the earliest. Over the last 25 years, the geographical focus has become increasingly global, and the chronological focus has shifted back towards the medieval era. While more sophisticated tools from economics such as game theory have come into play, insights from historical analysis of the role of culture and institutions and from population history have also become more prominent. In *How the World Became Rich*, Koyama and Rubin provide a lucid overview for a general audience of this latest generation of approaches to the study of economic growth, which is historically based yet with much of it published in leading economics journals.

After a stage-setting chapter to support the claim that the World has indeed become rich, the authors then proceed in the first major part of the book to consider in turn five mono-focal (rather than strictly mono-causal) approaches to economic growth. These include approaches focused respectively on geography, institutions, culture, demography, and colonial exploitation. In the second half of the book, Koyama and Rubin synthesize these various approaches to explain in turn why modern economic growth occurred first in Northwestern Europe, why, within Northwestern Europe, Britain was the first to experience an industrial revolution, how a modern economy with sustained economic growth occurred in the developed world, and finally what has influenced the extent to which modern economic growth has or has not spread to the rest of the world.

This book is quite informative and can be recommended for teaching purposes due to its cogent exposition and comprehensive coverage of recent literature in economics journals. The volume does have limitations. The exposition is frequently terse and readers who are not familiar with key concepts may have to look elsewhere for further explanation; examples include the two- or three-sentence narrative on Smith's argument that the division of labor is limited by the extent of the market (p. 28) and the definition of economic rents as "returns above opportunity cost" (p. 51). In a few instances, the exposition seems to go astray. For example, the authors seem to confuse Mokyr's argument for how a culture of improvement led to the growth of useful knowledge with an argument for science-based technical change (p. 171). Due to the sheer chronological and geographical span of material that Part II attempts to cover in a quite limited space, it does not add clear further insights over and above those in numerous previous surveys of this same material. Moreover, some of the choices about allocation of coverage seem questionable. For example, in the short section on Japan, three full pages are devoted to the Meiji era (pp. 203-205), but only one short paragraph (p. 206) to the post-second world war Japanese growth miracle.

Two more basic premises of the book are perhaps subject to more extended challenge. The first premise is that the World as a whole has indeed gotten rich, and that humanity as a whole is experiencing ever-increasing improvements in welfare. The authors do acknowledge that millions of the world's population remain in abject poverty and they also acknowledge adverse effects of economic growth on the environment from climate change and pollution. Yet the underlying tone is unflappably optimistic. The book could perhaps more fully acknowledge and engage with the work of influential historians and economists who are much less sanguine about long-run trends in economic inequality and political autocracy, whether they be heterodox historians of capitalism and globalization or economists and economic historians such as J. Bradford DeLong and Thomas Piketty.

The second premise is that considering the five mono-focal sets of forces considered in Part I and how they interact with each other can account for trajectories of economic growth, or in other words that there are underlying common forces and processes generating economic growth even if the combination of forces at work in specific cases can vary radically. They assert on p. 224, "Once the key elements of sustained growth emerged, first during Britain's Industrial Revolution, and then more decisively after 1850, elements of the blueprint provided by the early developers could be used elsewhere, even if it looked a bit different depending on the location". They then go onto acknowledge that using this blueprint in other parts of the world requires adaptation to "their own institutional and cultural characteristics". And the authors do acknowledge differences in growth trajectories such as the cases of Denmark, the Netherlands, Australia, and New Zealand who followed paths to prosperity based on export of food products and food processing compared with the path of industrialization pursued by Britain, the US and Germany (p. 189). However, the applicability and adaptability of the blueprint to the cases of China and India with their own unique cultural and institutional heritages is not fully addressed in the few pages allocated to India (pp. 198-202) and even in the somewhat more extended discussion of China (pp. 211-220).

In this regard, their concluding chapter seems to demur on whether history offers any general lessons for the determinants of economic growth, putting more emphasis on contingency and nuance. Nevertheless, there does seem be a presumption of underlying common processes, especially market-based processes, at work that could be stated more explicitly. Their conclusion about the value of historical perspective is that "knowing what did work and why it worked matters precisely because it allows us to build a cumulative body of knowledge". But then they acknowledge that "It will take substantial local knowledge to know how to apply this framework to a given society". Thus, one does not get a clear takeaway as to what the cumulative body of knowledge is regarding what has promoted economic growth.

Despite these limitations, general and specialist readers alike who want to catch up with the now very extensive recent literature on the historical determinants of economic growth will find *How the World Became Rich* an excellent starting point.

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