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# Fernand Braudel. *The Perspective of the World. Vol. 3 of Civilization & Capitalism, 15th-18th Century*

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## BOOK REVIEWS

### BRAUDEL'S CIVILIZATIONAL ECONOMICS

Fernand Braudel. *The Perspective of the World*. Vol. 3 of *Civilization & Capitalism, 15th-18th Century*. Translated by Sian Reynolds. New York: Harper & Row, 1986.

*The Perspective of the World* is the third volume of Fernand Braudel's *Civilization & Capitalism, 15th-18th Century*. In order to fully understand the book it is necessary to understand the overall interpretations Braudel develops of the economic history of the world in the three volumes. My procedure, then, will be to try and supply the overall context of *The Perspective of the World* developed in the three volumes and then look at some of the key concepts developed in *The Perspective of the World* itself. I will conclude with a very brief evaluation of the book.

The overall view of Braudel's 2000 page *Civilization and Capitalism* sees three levels of economic activity in world civilizations: Local self-sufficient activities, market activities, and the activities of capitalism.<sup>1</sup>

The lowest level was unpenetrated by the other two but was one third or more of all economic activity. It is that part that never enters commercial transactions. It includes family and communal but not commercial activities. It is the most fundamental part of the economy and the oldest. Although it will never end, it has historically shrunk relative to the higher levels.<sup>2</sup>

The middle level of economic activity is the market. At its simplest, a market is simply an exchange of goods. Markets are not new, but a universal human social economic system.<sup>3</sup>

From simple exchange, markets become trading zones. They then begin to rationalize an economy. A market economy exists when prices begin to fluctuate in unison. This has existed at least since ancient times when some cities began to import food. In the modern world the market system is transparent and open. It is the world seen in economic statistics. In this way it differs from the other levels.<sup>4</sup> One danger to market economies occurs when competition is ended through the unrestrained development of capitalism.<sup>5</sup>

The highest level of economic activity is capitalism. Capitalism develops from the market, but is not the market. It is actually the "zone of the anti-market, where the great predators roam and where the law of the jungle operates."<sup>6</sup>

Exchange and thus the market is necessary to a successful economy. Capitalism is speculation and is often harmful. Speculation is most successful when a monopoly is created. Capitalists have choice. They choose where to enter the market, what to try to control and what to

leave alone. Therefore, capitalism, though born of the market, threatens it rather than being necessary to it.<sup>7</sup>

According to Braudel, although capitalism developed in history, the ordinary stages, commercial, industrial, and financial, historians have seen in its history don't really exist. Capitalists have always entered any area of the economy which could be controlled to their advantage, commercial, industrial, or financial. Moreover, capitalists have used their control of credit in order to reorganize the market to their advantage from the beginning. This activity began in fifteenth century Venice so that the so-called last stage of capitalism existed from the first.<sup>8</sup>

We turn now to *The Perspective of the World*. In this volume Braudel analyses the development of world-economies, traces the histories of the cities that dominated these economies, explains the development of national markets and finishes with the causes of the Industrial Revolution.

Braudel begins this work by distinguishing between a world-economy and the world economy. The world economy is the economy of the whole world. It has developed in the past few centuries. A world-economy is "an economically autonomous section of the planet able to provide for most of its own needs, a section to which its internal links and exchanges give a certain economic unity."<sup>9</sup>

In 1500 Braudel distinguishes four world-economies: European, Russian, Turkish, and Far Eastern. About 75% of the book concentrates on the European world-economy. It is the one that creates the world economy.

According to Braudel, there are three basic rules or generalizations that can be made about these world-economies. First, their boundaries change only over the long-term, that is over centuries. Second, a series of capitalist cities dominates a world-economy. Finally, there is a hierarchy of zones in a world-economy with at least a core, a developed middle zone, and a periphery.<sup>10</sup>

One way to distinguish world-economies is by the existence of connected price cycles. Braudel identifies no fewer than 6 price cycles, from one of 3 to 4 years to one of 150 to 350 years. By showing that prices rose and fell in more or less conjunction (with some delays) in several cities in Europe, he is able to identify the existence of a European world-economy as early as A.D. 1250. Prices in the Russian and Ottoman world-economies began to follow those in the European world-economy in the sixteenth century. By the end of the century, India was experiencing the price revolution of Europe with a 20 year delay.<sup>11</sup> The world economy was being created.

By concentrating on the history of the European world-economy, Braudel writes a history very different from that political historians are accustomed to. Historians are used to seeing the sixteenth century as one dominated by Spain with challenges by France and England. For Braudel, the dominating entities in Europe were merchant cities, although the decisions of great political powers like Spain often greatly influenced which city would dominate.

Four cities in particular dominated the European world-economy between 1400 and 1750. By 1400, Venice was the dominating power as a result of her superior trading position and her control of credit. Soon after 1500, Antwerp was able to make itself the capital of the European world-economy as a result of the profits gained by control of the pepper trade. In the middle of the sixteenth century, Genoa began a 70 year period of dominance by making herself Spain's, and subsequently Europe's, banker. Next came the domination of Amsterdam.

Amsterdam ruled the European world-economy for over a hundred years by virtue of its huge and efficient fleet, its ability to store goods, and its control of credit. Amsterdam was the last city to control the European world-economy. By the late eighteenth century the world was too large and complex to be controlled by a city so that economic domination of cities was replaced by domination by national economies, even though these national economies themselves had a city at their core.

Braudel believes that the dominant cities in a world-economy had certain distinguishing characteristics. Let us look at six. First, these cities were run, and in fact some aspects of the whole world-economy were run, for the benefit of a few families. Second, these cities held some strategic monopoly and a zone of operation in which they had no competitors. For Venice it was the Levant trade and for Genoa it was the handling of Spain's financial needs. Third, all of these cities excelled in their ability to handle credit. Fourth, the cost of living in these cities was the highest in the world and the gap between the wealthy and the poor in them was great. Fifth, these cities, by necessity, followed a policy of toleration because of their need for cheap foreign labor and because of the presence of foreign businessmen in them. Finally, each dominant city in a world-economy was supported by nearby and prosperous cities. For example, Leyden was a manufacturing center for Amsterdam and Rotterdam built ships for Amsterdam.

Following the city-dominated period of the European world-economy was one of national markets, which became prominent in the eighteenth century. England created the first successful national market. Braudel deals at length with the question why England and not France. Basically it was a matter of political will and of physical size. Since a national market had to be created within the larger European world-market, a national market had to assert itself against the reigning city of that market as well as provincial localism, and a "centralizing political will—fiscal, administrative or mercantilist" was necessary.<sup>12</sup> The government of England engaged in mercantilist policies earlier and more successfully than that of France. Britain passed laws restricting Italian bankers and the Hanseatic League in the sixteenth century and by the middle of the seventeenth century had passed navigation acts against Holland.<sup>13</sup> A second explanation is that France was simply too large for adequate transportation and trade networks to be built for a national market in the eighteenth century.

From national markets, Braudel moves to the growing domination of

Europe over the other world-economies of the earth. The most surprising, and perhaps the most questionable part of this section is his calculation of the G.N.P. per capita of the various peoples of the world in about 1750 as compared to today. Basically, India and China were about equal to Europe in the eighteenth century.<sup>14</sup>

Braudel's view of the causes of the Industrial Revolution has implications both for development strategies for poor countries today and for his view of the relationship between long term and short term historical changes.

According to Braudel, successful economic growth can only occur if there is a balanced development of all important sectors of the economy. If one sector is emphasized too much, development will reach a bottleneck created by the lack of development of another sector. In the eighteenth century England had this kind of balanced development. But this was a long term process: England's balanced development occurred over two or three centuries.

"Balanced development" does not mean that there is not one sector that leads development in the short term. Various sectors in fact took turns in leading overall development. Cotton textiles led the industrial revolution in England at the end of the eighteenth century, a role created by competition with India in the production of high quality, cheap cotton textiles. Had the Indian competition not existed, England would have still led the European industrial revolution (because of her long term balanced development); but cotton textiles might not have been the first sector of the economy to lead the English industrial revolution.

So Braudel believes that long term developments determine the possibilities of change and history while short term developments determine what actually happens within the range of possibilities determined by the long term. Accordingly, underdeveloped countries today should seek balanced development, try to foresee where bottlenecks might develop in their growth strategies, and work on the corresponding underdeveloped sectors.

I have two criticisms of Braudel's book, one regarding the length and organization of the whole three volume work, the second having to do with his use of numbers.

*Civilization and Capitalism* at once too long and too short. It is too long to be read by any but those dedicated to economic history. Yet the book has important things to say to a much wider audience. It would be very nice to have a 200 page version. The book, however, is too short for all the ideas it contains. The reader is introduced to new ideas about fashion, prices, food, capitalism, the Agricultural Revolution, the Industrial Revolution and what history is all about. It has been said that it is suggestive. Probably about 20 books of three or four hundred pages each would be necessary to begin to explore all the ideas in *Civilization and Capitalism*. It is truly revolutionary. It continually presents the reader with views and perceptions which cannot help but challenge the reader's understanding of history and its meaning.

Another problem with the book is its disorganization. The three volumes do not entirely follow the basic structure of non-commercial, market and capitalist levels of economic activity, although Braudel sometimes says they do.<sup>15</sup> In other places, Braudel maintains the volumes follow a more standard division of economic activity: production, circulation, and consumption; in other places he says they are organized by the long term, the medium term and the short term.<sup>16</sup> *The Structures of Everyday Life* is supposed to be about consumption and noncommercial economic activities. However, in addition to chapters on population, food and clothing, it includes one about technology and one on money, and thus is also about production and circulation. *The Wheels of Commerce* is supposed to be about circulation and the market; but it contains a 140 page chapter on production, and Braudel's most complete statement on his concept of capitalism. *The Perspective of the World* should be about production and capitalism, but most of the book is about the development of world and national markets and the cities that dominated these markets.

In short Braudel doesn't discipline himself to any strict organization. As he put it at the beginning of *The Structures of Everyday Life*, "There are simply too many things to say."<sup>17</sup> At the end of the same volume he states "Books, even history books, run away with their authors. This one has run ahead of me. But what can one say about its waywardness, its whims, even its own logic, that will be both serious and valid? Our children do as they please. And yet we are responsible for their actions."<sup>18</sup>

My final criticism of Braudel is that in spite of his constant use of statistics, he, or maybe his translator, is careless in his use of them. Two examples should be enough. On page 308 of *The View of the World*, Braudel devises a way to estimate GNP of pre-industrial states, but then makes an obvious arithmetical error in estimating the GNP of eighteenth century Russia. On page 564, he states that the mortality rate of Europe fell from 33.7% to 27% from 1800 to the period 1811-21 when these figures should obviously be 33.7 per thousand and 27 per thousand.

Despite Braudel's occasional statistical carelessness and his violations of his own organization, *Civilization and Capitalism*, including this third volume *The Perspective of the World*, is a great book. It has changed my view on more important issues in history than almost any other one book.

Jim Webb

#### NOTES

1. Fernand Braudel, *The Structures of Everyday Life*: vol. 1 of *Civilization & Capitalism, 15th-18th Century* (hereafter, SEL), New York: Harper & Row, 1985, 23-35; Braudel, *The Perspective of the World* (hereafter PW), 630-31.

2. SEL, 23-24.

3. Fernand Braudel, *The Wheels of Commerce*: vol. 2 of *Civilization & Capitalism*,

*15th-18th Century* (hereafter, WoC), New York: Harper & Row, 1982, 224-225.

4. WoC, 138, 455; SEL, 24.

5. WoC, 329.

6. WoC, 230.

7. SEL, 462; WoC, 455-57.

8. PW, 604, 621-22.

9. PW, 22.

10. PW, 25-45.

11. PW, 71-77.

12. VW, 287.

13. VW, 355.

14. VW, 534.

15. SEL, 23.

16. WoC, 22, 25.

17. SEL, 29.

18. SEL, 559.

### THREE MÉSOAMERICANIST WORKS

Ignacio Bernal. *A History of Mexican Archaeology: the vanished civilizations of Middle America*. Translated from the Spanish by Ruth Malet. New York: Thames & Hudson, 1980.

Ignacio Bernal is one of the internationally best known Mexican archaeologists having taught in several universities in the United States and in Europe. The writing of this particular book presents us with a text that in format and style shows one of his many estimable qualities: its pleasant readability, fully transmitted through Ms. Malet's excellent translation. In its organization of materials and abundance of reference Bernal's work not only shows the author's familiarity with internationally-produced archaeological work on Mesoamerican civilizations, but his own strong sense of providing the reader with an historical perspective of Archaeology as a developing science.

It is this reviewer's opinion that Bernal's book parallels, for Mesoamerica, Gordon Willey's and Jeremy Sabloff's *A History of American Archaeology* (London & San Francisco, 1974) in general concept and in usefulness for archaeologists as well as for colleagues from other disciplinary areas interested in or working with Mesoamerican materials. This commentary is meant as a tribute to both works. Both provide the reader with a sense of the evolution of archaeological knowledge as a developing field, historically framed and methodologically and interpretively alive.

Yet, Bernal's book gives us a dimension that is equally difficult to find in most books of this kind and in the treatment of the history of knowledge about Mesoamerican civilizations (or their aspects) that may be found in the works of scholars from other fields of inquiry (such as cultural anthropology, ethnohistory or literary criticism, all of which