

Editors' Introduction

THE CONTRIBUTIONS to this volume were first aired at a conference sponsored by Stanford University's Institute for Economic Policy Research (SIEPR). The occasion was a celebration of the luminous career of Gavin Wright, a senior fellow at the institute and a member of the Stanford Economics Department faculty since 1982. The conference assembled Wright's past PhD students and close peers to reflect on his myriad contributions to the political economic history of the United States and to a historically informed practice of economics.

The intent was not simply to recollect Wright's scholarly and pedagogic influences. The organizing committee—Avner Greif, Timothy Guinnane, and William Sundstrom—asked speakers to address the dominant themes of Wright's research and teaching. This research cannot be reduced to a single methodological approach. If anything, Wright has made a virtue of a historically and theoretically informed eclecticism that draws inspiration from economics and other social sciences. Following one of his own mentors William Parker, Wright has insisted that economic history must still be history, not just economics, so that it can fruitfully engage colleagues in adjacent disciplines. He has also advocated a healthy respect for the evidence and its limitations and cautioned against the use of excessively complex analytical and statistical models as a substitute for actual historical research.

Substantively, Wright's research has brought greater clarity to some of the most perplexing issues of U.S. history, economic or otherwise. Through a steadfast skepticism of the conventional wisdom, he has always recognized that the first step to "getting the right answers" is "asking the right questions." The broad scope of Wright's research "questions" and "answers" resists easy classification, but most of his published work can be organized around three broad themes: regional development, slavery and freedom, and the dynamics of historical economic change.¹

Wright's work on regional economies starts from the conventional premise that natural resource endowments exert a powerful effect on regional development, in delineating the climatic boundaries of the nineteenth-century Cotton South or in laying the raw materials foundation for U.S. industrial hegemony in the twentieth century. He has, however, rejected geographic determinism and instead advanced an alternative conception of the region that hinges on formative institutions, whether plantation slavery in the Cotton South or subsoil property rights in the western United States. In his typical fashion, however, Wright has never seen the problem in dichotomous terms, as resource endowments versus institutions. Instead, his more nuanced approach recognized the complementarities between what some have called a region's *first* and *second* nature and showed how their mutual interactions forged distinctive paths of regional economic development. His explanation of the American export invasion of Europe, for example, regards the country's rich diverse mineral endowments as a *necessary* condition, whose systematic economic exploitation depended on the property rights regime and the cumulative development of capacities in areas ranging from geology and metallurgy to distribution and marketing.

Nowhere is Wright's approach more evident than in his research in understanding the historical specificity of slave and free labor in the Americas and in turn the regional differences between slave and free states. Wright conceives of slave and free labor as complex amalgams of economic and social relationships embedded within families, farms (i.e., units of production), and the larger political economy, and not simply as polar abstractions. At a more micro level, he recognizes the degrees of difference between free and slave labor—the elements of coercion on family farms and in factories in the North and of choice in the incentive systems on southern slave plantations. His most recent book, *Slavery and American Economic Development*, takes a more macro approach, viewing free and slave labor as alternative “property rights” and, ultimately, political regimes that biased economic incentives and wealth accumulation in the North and South but also sparked interregional political competition and conflict akin to cold war rivalries.

For Wright the central methodological question is not whether, but how, history matters. Following the thrust of much “new” economic history, he has embraced an *evolutionary* view of economic development, which emphasizes incremental cumulative changes in population, natural resources, and technology. In *The Political Economy of the Cotton South*, for example, he shows how the rapid growth of world cotton demand before 1860 diffused slavery and the plantation system across the southern frontier and in turn carved out a distinct regional *cotton* economy. He has also revived an older tradition that divides historical development into distinct epochs punctuated by *revolutionary* structural changes. This perspective is elaborated in *Old South, New South*, where he delineates the manifold impacts of the Civil War and emancipation on the southern economy.

The real challenge, of course, is how to reconcile these perspectives. Wright offers a tantalizing synthesis in which history truly matters. Gradual cumulative changes, he suggests, set the stage for, but do not dictate, the nature and direction of revolutionary change. The latter depend on historical agency in the form of collective decisions and actions, whether undertaken by the informal associations of civil society or the various levels and branches of government. In his contribution to *Reckoning with Slavery*, for example, Wright spoke of the “internal contradictions” of the antebellum Cotton South. Its increasing economic dependence on the fleecy staple, he argued, would inexorably lead to relative economic stagnation, but not emancipation, after 1860. Most recently, in work with Paul David, he has analyzed how the gradual diffusion of the electric motor and the cumulative innovations in this and complementary technologies paved the way for a second industrial revolution, whose full fruits awaited the advent of a truly “high wage” economy thanks in part to New Deal policies.

Mirroring Wright’s diverse interests and approaches, conference participants tackled a broad array of topics in U.S. and global economic history. Some authors generalized Wright’s analyses to comprehend the impacts of the New Deal and civil rights revolutions on national, not just southern, labor markets and politics. Others took his institutional perspectives on

regional development to new shores and new sectors. And still others extended the disciplinary scope of the agenda, and in true *Wrightian* fashion challenged received wisdoms, even those of Wright himself, on the paradoxes of slavery and Americans' *mineral mindedness*, to borrow Parker's felicitous phrase.

After two days of stimulating presentations and avid discussion, it became clear to us that this commemoration had taken on a life of its own.² Collected into an edited volume, the papers would constitute an independent scholarly contribution to the field of economic history but also to a more historically informed economics. Substantively, the essays naturally fell into three broad thematic areas corresponding to the sections of this volume: (1) evolutionary economic change, (2) regional development, and (3) revolutions in labor markets. As important, they all combine historical and economic perspectives to understand the past as well as the dynamics of change in real, that is, historical, time.

As the introductory chapter by Gavin Wright makes clear, this outcome was not an accident but can be traced to the sometimes obvious and otherwise subtle influences of a Stanford tradition of economic history. The Stanford faculty, Wright asserts, does not have a monopoly over these approaches and substantive issues. But, as he also shows, they have been tackling them for over half a century. Through the training of new generations of economic historians and through their (and their students') myriad interactions with colleagues, their scholarly labors have had a formative impact on the practice and direction of economic historical research.

Coincidentally the Stanford conference took place at the very moment—September 26 and 27, 2008—of the U.S. and global financial meltdown. This crisis was so potentially catastrophic that it invited obvious comparisons to the Great Crash of 1929 and the banking panics of the early 1930s. None of the contributions in this volume directly addresses the specific macroeconomic issues raised by the recent credit crisis and “Great Recession.” Nonetheless, they do, we believe, offer valuable lessons on the dynamics of historical economic change that are directly relevant to the current debates among economists and policy makers.

Many in the economics profession have dismissed recent events as mere blips on the radar screen, transitory departures from a stable equilibrium path. Grounded in an *ahistorical* equilibrium way of thinking, their reaction is not too surprising, at least to us. But as historians and historically minded economists, we are disciplinarily inclined to connect the dots and to cogitate upon their implications. In particular, the essays in this volume challenge the more conventional ways of thinking in the economics profession and invite a fresh perspective to view recent events, one that conceives history as a succession of evolutionary but also revolutionary moments. Indeed, as several contributions illustrate, recent economic events bear many of the hallmarks of earlier crises, which precipitated revolutionary economic change in the past. Thus, following in Wright's path, we hope to show the relevance of economic history and historical economics to contemporary issues but at the same time to avoid the pitfalls of a too-alluring presentism.

The Stanford Institute for Economic Policy Research provided generous financial and administrative support in convening the conference. We are indebted to its director, John Shoven, for his warm embrace of our gathering, which made this volume possible. In addition, we thank Deborah Carvalho and Dafna Baldwin at SIEPR, whose attention to the myriad logistical details before and during the conference assured its success. Publication of this volume was facilitated by a generous subvention from SIEPR and the Stanford Department of Economics. In addition to Shoven, we thank Lawrence Goulder, the department chair, for his timely support. Barnard College, the University of Kansas Department of Economics, and the University of Michigan Department of Economics also provided financial support for this project.

While we assumed responsibilities for editing the volume, our task was feasible only because of the intellectual labors by Avner Greif, Timothy Guinnane, and William Sundstrom, who were responsible for the conference program. As editors we were most fortunate to work with an exceptional group of scholars and benefited greatly from the advice and support of our editor at Stanford University Press, Margo Beth Croupen, and her assistant, Jessica Walsh. We also benefited from the advice

and encouragement of the readers selected by the press to review our manuscript.

Finally, we wish to express our gratitude to Gavin Wright, whose scholarly research has set an example for all involved in this project. We are indebted to him not only for the inspiration that his scholarship provides but for his steadfast friendship, support, and encouragement.

NOTES

1. A selected list of Wright's publications is included as an appendix to this volume.
2. Discussion at the conference and so the quality of this volume were enhanced by the contributions of, among others, Ran Abramitzky, Kenneth Arrow, Charles Calomiris, Herrick Chapman, Latika Chaudhary, Gregory Clark, Liz Cohen, Jan De Vreis, Alexander Field, Stephen Haber, Howard Kunreuther, Naomi Lamoreaux, Phillip Mirowski, Joel Mokyr, Chiaki Moriguchi, Petra Moser, John Pencavel, Kerry Pannell, Arlene Saxenhouse, Masao Suzuki, and Richard White.