Medina Frias on Tilly and Kopsidis, 'From Old Regime to Industrial State: A History of German Industrialization from the Eighteenth Century to World War I'

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From Old Regime to Industrial State is an economic history about the German “transition to modern economic growth” between 1760 and 1914 (p. vii). The transition is studied through the analysis of the industrialization process, giving the reader a wider panorama about the institutional changes that sustained the industrial apparatus; the changes in the organization of the socioeconomic relationships between the industry, laborers, governing elites, and bureaucracy; and the “boosting effects” of technological innovation in the political order and the construction of human capital.

The work of Richard H. Tilly and Michael Kopsidis contributes to the German industrial, business, and economic historiography by providing an updated perspective about institutional change. The book challenges the “Big Bang” approaches that explain the German industrial process as a response of different external shocks, such as the French Revolution and the Napoleonic invasion. For the authors, German industrialization was possible due to the existence of a gradual long-run institutional change that started in the mid-eighteenth century through the establishment of the proto-industrial regime and the later influence of the Scottish Enlightenment that helped to set up a “mindset” for the liberal reforms that were applied as part of the development of an industrial capitalist system.

In that way, their theoretical approach is close enough to historical institutionalism, being a complement to work in gradualist institutional change and the impact of new technologies’ adoption in institutional innovations.[1] This literature addresses the interpretation of the dynamics that influence an institutional change and the ways sociopolitical regimes adopt these changes. In the case of Tilly and Kopsidis, the institutional change was in the transformation of the civil servants bureaucracy, the establishment of a wider domestic market that boosted the regional divergences, and the capacity of the new enlightened bureaucracy to secure the regulatory frameworks for technological innovation.

The book is constructed in four sections that follow a chronological timeline of industrialization and the transition from the old regime into the German state. This timeline provides a political background about institutional and regional changes. The first section covers 1760 until 1815, illuminating how the liberal reforms were adopted in the German lands, dismounting the
historiographical domination of the influence of the French Revolution and the Napoleonic Wars, toward a gradual institutional change promoted in the courts, the best examples being the Prussian enlightened bureaucracy and the adoption of a liberal institutional framework highly influenced by Adam Smith. The second section covers a period denominated “early industrialization” (1815-49), which focuses on regional variation, the role of the Zollverein in establishing a territorial unity based on the market, and the 1840s economic crisis that led to the revolutionary years of 1848-49. The third section examines the institutional landscape that supported the structure of industrial capitalism, focusing on 1850 to 1870. The final section, Germany’s emergence as an industrial power, closes the narration by analyzing the new political adjustments that secured the industrial innovation system and the creation of human capital, a process that positions the new dominant industrial power of Germany into the European industrialization process.

Beyond their grounded work in the most recent economic history of industrialization, the authors invite readers to expand the questions about institutional change further. Tilly and Kopsidis are opening a new narrative for questioning how institution and political regimes adopt technological change. For our current times, reading their work is an opportunity for expanding the new dynamics of capitalism development, especially in how new models of commercialization and production, as platform capitalism, are disrupting our current institutional regimes. In that way, Tilly and Kopsidis are offering a new question about the sense of institutional change.

Note


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