

Structured Summary of Session 1: Setting the Scene, *World Economic History*

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1. Introduction: Setting the Scene for World Economic History

The course "World Economic History" is introduced not as a study of economic ideas, but as an exploration of facts, events, historical processes, geography, and migration. The central and guiding question of the course is to understand the vast economic disparities in the modern world: Why are some countries and individuals extremely rich while others are extremely poor?. The lecturer explains that while economic inequality has always existed, the gap between the rich and the poor, both within and between nations, is significantly more pronounced today than it was several centuries ago.

To explore this divergence, the lecture introduces two key concepts. The first is the historical idea of a "flat world." A thousand years ago, travelers and observers perceived the world as "flat," not just in a literal, geographical sense, but also in an economic one. The economic differences between various regions of the world were comparatively minor. The second concept is the "hockey stick of history," a visual metaphor for the pattern of economic growth seen in historical data. For most of human history, economic prosperity (measured as GDP per capita) remained stagnant and low. Then, beginning a few centuries ago in a few countries, and later in others, a dramatic and sharp upturn occurred, resembling the blade of a hockey stick.

The primary data source for visualizing this phenomenon is identified as "Our World in Data," a free and interactive platform that allows for detailed exploration of historical economic statistics. The lecturer emphasizes that understanding this sharp "kink" in the hockey stick—the moment of takeoff—is crucial to answering the course's central question. The causes are multifaceted, involving geography, institutions, culture, religion, and contingent events. A major argument presented is that science and technology are the fundamental drivers of this historical, social, and economic change.

2. The Pre-Industrial "Flat World": Observations of Early Travelers

To understand the world before the great economic divergence, the lecture draws on the narratives of early travelers like the Moroccan scholar Ibn Battuta and the Venetian merchant Marco Polo. Their extensive journeys, undertaken primarily over land on foot or camelback, provide a window into the economic landscape of the 14th century and earlier.

Ibn Battuta, a Muslim scholar who traveled for over two decades across Africa, Europe, and Asia, communicated using Arabic and Persian and was respected in the cities he visited. Similarly, Marco Polo, along with his father and uncle, traveled the Silk Road to China, India, and Anatolia. The accounts left by these men, while detailing diverse cultures, geographies, and customs, paint a picture of a world where the material wealth and prosperity of different countries were broadly comparable. Although inequality between social classes certainly existed, the vast national and international wealth gaps that define the modern era were not a feature of their time. Their observations support the thesis that, in economic terms, the world was relatively "flat"; countries looked much more like each other economically than they do today.

These travelers operated in a world without modern conveniences like Google Maps, banking systems, or even widespread road networks. Their survival and success depended on different strategies for communication, trade, and wealth accumulation, often involving carrying physical gold and leveraging social networks. Their journeys covered a significant portion of the known world at the time—Africa, Europe, and Asia—but they were unaware of the existence of the Americas or Australia. This limited geographical understanding further reinforced the perception of a self-contained, relatively homogenous economic world.

3. Visualizing Divergence: The "Hockey Stick of History"

The lecture transitions from historical narratives to hard data, focusing on a powerful visualization from the textbook and the "Our World in Data" website. This interactive chart displays GDP per capita for various countries over the last millennium (from the year 1000 to 2000). Its significance lies in its clear depiction of the "hockey stick of history".

Key features of the visualization:

- **Long-term Stagnation:** For centuries, from the year 1000 until approximately 1400-1600, the lines for all countries are low and relatively flat, showing very little sustained growth in income per person. This period represents the long "handle" of the hockey stick and corresponds to the "flat world" described by travelers like Ibn Battuta.
- **The Sharp Upturn:** At different points in history, the lines for certain countries suddenly pivot upwards, indicating a dramatic and sustained explosion of income and wealth. This sharp bend and subsequent vertical rise form the "blade" of the hockey stick.
- **The Great Divergence:** The chart vividly illustrates that this economic takeoff did not happen everywhere at the same time. The Netherlands and Britain began their ascent in the 17th and 18th centuries, respectively. Japan's rise occurred later, around 1870. For other major nations like China, India, and Turkey, this rapid growth phase only began in the mid-to-late 20th century. This staggering of takeoff times is what created the "Great Divergence" and the vast global inequality we see today.

The lecturer demonstrates the interactive nature of the tool, showing how one can add or remove countries, zoom in on specific time periods, and make direct comparisons. For example, by adding Turkey to the graph, one can see that its period of significant enrichment began after the 1920s, with major acceleration after 1980. A comparison reveals that the GDP per capita level in

Turkey today is roughly equivalent to what the UK had achieved by the 1970s, indicating a gap of about 50 years.

The term "per capita" itself is explored, tracing its Latin root "caput" (head) to concepts like capitalism and capital punishment, hinting at historical forms of wealth, including slavery. This analysis serves as a reminder that even the metrics we use have deep historical roots and can sometimes be misleading; for instance, GDP per capita can underrepresent the economic power of a highly populous country like China.

4. The Age of Discovery: Sowing the Seeds of Change

The lecture identifies the Age of Discovery as a pivotal period that began to disrupt the "flat world." A key figure in this transition is Christopher Columbus, whose voyages are contrasted with those of his overland predecessors. While Marco Polo and Ibn Battuta traveled over land, Columbus utilized new technologies—specifically, advanced shipping—to travel overseas, across the vast and unknown Atlantic Ocean.

In 1492, Columbus, an Italian mariner funded by the Portuguese monarchy, set out to find a new sea route to India. The context was significant; the rise of the Ottoman Empire had complicated traditional land routes to the East. However, his journey was based on a fundamental miscalculation. Believing the world to be smaller than it is, the first land he reached was not Asia but an island in the Bahamas. This misunderstanding is immortalized in the term "Indians" for the native peoples of the Americas.

The consequences of this contingent event were world-altering:

- **Economic Transformation:** Columbus did not return with spices from India, but with gold, silver, and slaves from the "New World". This initiated a massive transfer of wealth to Europe and laid the foundation for centuries of colonial exploitation.
- **Geopolitical Competition:** The revelation of a new, resource-rich continent sparked intense competition among European powers, including Spain, Portugal, Britain, and the Netherlands. This rivalry drove advancements in military technology, particularly the development of powerful naval armies to control sea lanes and conquered territories.
- **The Columbian Exchange and Disease:** The contact between the Old and New Worlds triggered a devastating exchange of diseases. European explorers unknowingly brought illnesses to which the native populations had no immunity, leading to catastrophic depopulation and making colonization easier.
- **Emergence of Ideology:** This era of conquest gave rise to "Orientalism," an ideology that framed Europeans (specifically white, Protestant men) as superior and other cultures as primitive and fit for domination. The lecture explicitly contrasts the exploitative nature of Columbus's "discovery" with the more observational travels of Ibn Battuta.

5. Science, Technology, and the Modern "Flat" World

The lecture argues that the economic "hockey stick" takeoff cannot be understood without appreciating the parallel revolutions in science and technology. The journey of Charles Darwin

aboard HMS Beagle between 1831 and 1836 serves as a prime example of a different kind of discovery. Unlike Columbus, Darwin was not a merchant or conqueror but a natural scientist on a mission to collect evidence about the natural world. His meticulous collection of fossils and artifacts led him, 23 years later, to publish *On the Origin of Species* (1859), a groundbreaking work that introduced the theory of evolution by natural selection and fundamentally changed humanity's understanding of itself.

Darwin's story illustrates a broader point: scientific and technological advancements are the core engines of historical change. The environment people inhabit is technological, from the construction of a university building to the plastic of the flooring and the smartphones in students' pockets. Changes in this technological environment directly shape social relations and economic possibilities. Therefore, to understand the shift from stagnation to growth, one must study the evolution of science and technology that enabled the Industrial Revolution and subsequent waves of innovation.

This theme is brought into the contemporary era with a discussion of Thomas Friedman's book, *The World Is Flat*. Friedman's thesis is that modern technology, particularly the internet, has created a new kind of "flatness". In this new world, ideas, ideologies, and communication travel at the speed of light, seemingly leveling the playing field for individuals and countries worldwide. However, the lecture immediately presents a critical counterpoint: despite this technological interconnectedness, economic divergence has not been reversed. In many ways, the internet and globalization have exacerbated inequalities, leading many cultures and countries to diverge further rather than converge.

6. Contingency: The Role of Chance in History

The final major theme of the lecture is the concept of **contingency**, defined as the opposite of historical necessity. A contingent event is something that happened but could have turned out differently; it was not predetermined. The lecturer challenges deterministic views of history, which often present events like the rise of Europe or the success of certain nations as inevitable outcomes of structural forces or inherent superiority.

Instead, history is presented as a complex process profoundly shaped by chance, accidents, and unpredictable turning points. Several examples are offered to illustrate this point:

- **Columbus's "Discovery":** His landing in the Americas was a geographical accident that changed the fate of humanity. It was not planned or designed; he was simply a traveler whose miscalculation had enormous, unforeseen consequences.
- **The Lisbon Earthquake of 1755:** The lecture posits this catastrophic natural disaster as a key contingent event that spurred the Enlightenment. Portugal was a rich, pious, and successful colonial power. The destruction of its capital by an earthquake led philosophers and thinkers to question divine authority and the power of the church ("Why would a benevolent God allow this?"), thereby fueling the rise of secular, rationalist thought that defined the Enlightenment. This is described as a historical "butterfly effect," where a single event triggers a cascade of large-scale changes.

- **Probabilistic Events:** Everyday examples like throwing dice, playing bingo, or the outcome of an exam are used to illustrate that life is full of probabilistic, not deterministic, events. Even large language models like ChatGPT work on probabilistic calculations, producing different outputs for the same prompt.

The argument is that for a small contingent event to become historically significant, it must interact with a larger process in a way that creates a feedback loop. The discovery of gold in the Americas did not just happen once; it created a loop of exploration, exploitation, and capital accumulation that transformed Europe. The historian's job, therefore, is not just to analyze broad structures but to uncover these small, critical contingencies and explain how they steered history down one path instead of the many other possible ones. This micro-historical approach, exemplified by books like *The Cheese and the Worms*, offers a powerful lens for understanding the past.