



Ann Coenen, *Carriers of Growth?: International Trade and Economic Development in the Austrian Netherlands* (Library of Economic History 6; Leiden, Boston: Brill, 2015, xvii + 318 pp., ISBN 978 90 04 27259 0).

This book considers the effects of international trade on the economy of the Austrian Netherlands or southern Low Countries in the second half of the eighteenth century. Much of the historiography on the topic of international trade has centered on Great Britain and there has been considerable debate on the extent of the impact of international trade on the English economy. Many economic historians have tackled the question whether trade fuelled the Industrial Revolution and the subsequent quickening pace of economic development. The experiences of the economy and trade of that other region which was the first to go through the phase of industrialization on the continent, the Austrian Netherlands, dealt with in this book provide a welcome change of perspective. Most of the work of Belgian authors, often writing in Dutch and French, has not really been picked up in the international debate. Coenen convinces the reader that one should not only reconstruct balances of trade but also pay attention to those with an interest in commerce, the so-called stakeholders: central and local governments, producers of both raw materials and finished goods, retailers, and the final consumers, and to their often divergent interests. Commercial policy was guided by the particular political economy of the Austrian Netherlands and the result of both diverging local interests and the decisions made by the commercial powers in the surrounding countries. Coenen's work ties in with the current debate on the role of the state in eighteenth-century economic development: international trade policy and how it materialized and affected eighteenth-century trade is the central issue of this book.

Carriers of Growth rests on strong empirical foundations. It draws on the archives of the customs office (part of the Finance Council): the registers of the Austrian Netherlands' customs bureaus which quantify the annual import, export and transit volumes of more than 3,000 types of commodities for the period 1759-1791 (Relevé Général); the tariff books which provide insight in the changes in commercial tariff structure; a large collection of petitions and requests related to commerce sent to the Finance Council; and correspondence and memoirs of high-ranking officials and other interested parties. The very existence of this documentation already demonstrates the central government in Brussels strong interest in international trade; the government deemed it necessary to quantify in- and outflows of commodities. The entire database

of customs statistics is conveniently available in open-access form; this is a very valuable trove which allows new avenues of research to be pursued by both economic historians interested in the macro-economics of commerce and those who want to focus on particular and diverse commodities such as sugar, linen, paintings, and even scraps of wool (<http://dx.doi.org/10.6084/m9.figshare.1430026>).

The above-mentioned framework of the study and its sources are presented in Part 1. In Part 2 the Austrian Netherlands' balance of trade is reconstructed: the region had a small deficit on its balance of trade but this was subject to considerable variation which could even turn into a surplus. Gradually, the balance of trade worsened with imports outgrowing exports (amply compensated by a surplus on the region's balance of payments). The volume of trade grows, the import of finished goods declines and more and more raw materials are imported which indicates a process of import substitution. Key imports were wine, wool, cotton and coffee; linen was the major export commodity. The true value of the book is not this reconstruction of the balance of trade but its attention to chronological and sectorial dynamics.

Part 3 takes up the challenge of explaining the different performances of the various sectors of the Austrian Netherlands' economy at the product level (salt, textiles, colonial commodities, coal and grain are the case studies). Here Coenen zooms in on the importation and exportation of the above commodity categories, the changes which the underlying sectors experienced as the result of trade, and the role of governmental commercial policies at length (perhaps the long chapter on textiles could have been split up). The chapters in this part of the book supplies the reader with many gems; to name but one, an entire industry developed around the importation of wool leftovers to produce a cheap cloth. These detailed case studies do show that it pays off to consider the sectorial meso-level: strategies of import substitution can be discerned from tariff-setting and the granting of patents and monopolies, the government often favored local manufacturers over local resource producers. Coenen provides tables per sector which list the types of petitions, who submitted them and whether they were granted or not. Stakeholders in strategic interests and with political clout could almost always count on a favorable treatment of their requests. This reveals a consultative central government which was prepared to listen to stakeholder demands. The requests themselves could have been mined more thoroughly for the discourse and semantics used to describe the 'effects of trade' though.

Part 4 deals with the transit trade, that other keystone of mercantilist commercial policy. Given the geographical centrality of the Low Countries within Europe, it is telling that transit trade was especially important during wars. The Low Countries, for example, profited from the war between France, Great Britain and the Dutch Republic in 1777-1783. However, high internal

transportation costs and tolls demanded by local governments strongly affected the transit trade and determined that only particular goods were included in the transit trade mix.

The conclusions summarize the key findings of the book. The Habsburg government pursued a rather active customs policy aimed at monitoring trade flows and import substitution; there was less interest in export-driven growth. The government was constrained in its policy by the problems with local governments, its weak position in European politics, and the constant need to decide between the often divergent interests of stakeholders. The central government made use of a wide range of policy instruments: import and export duties, bans and restrictions, and patents and monopolies for entrepreneurs and merchants. Ad-hoc and specific customs exceptions went hand in glove with general rules. The analysis of the commercial in- and out-flows reveals the particularities of the economy of the Austrian Netherlands in the second half of the eighteenth century: growing home demand was key, the region was largely self-sufficient in its nutritional and energy needs, import substitution led to a shift in imports from finished goods to raw materials. Trade achieved an impressive growth rate (a mean 5% per annum) and had an important role to play in the region's homespun growth present in both traditional and new sectors.

In the end, the study remains inescapably stuck in a chicken-or-the-egg dilemma: did trade fuel economic development or vice versa? This is the result of the somewhat vague research question on 'the effects of international trade'. What the book does demonstrate is precisely the differential effects on different sectors generated by exposure to long-distance trade. Given this diversity it is perhaps impossible to evaluate the effects of trade on the economy. I believe a more pronounced use of international trade theory could at least have rendered 'the effects' more clearly. For example, pages 61 to 65 present the author's ongoing research on the revealed comparative advantages in commerce of different sectors of the Austrian Netherlands. While a more thorough description of this theory of international trade should have been present in these pages for the non-expert reader, it shows that the integration of international trade theory is a fruitful approach. Coenen could have done more with the available information on the (relative) prices of commodities (both from the Posthumus series and those provided in the sources used for this study) and factor inputs (the low wages in the linen sector, for example), the applied customs tariffs, and the imported and exported quantities. These numbers could then be compared with the abundant English data. Perhaps it was even possible to quantitatively test the effect of tariffs, bans and monopolies on traded volumes over time, given that the data cover more than thirty years. An approach embedded in international trade theory would have allowed the author to be more specific about the impact of policies and trade volumes on the welfare, wages, prices and success/failures of particular sectors

and those people active within them which is precisely what international trade theory is about.

In conclusion, *Carriers of Growth* will surely serve as a source of inspiration for economic historians, a result of the richness of its data on the underexplored case of the eighteenth-century Austrian Netherlands and of the many angles covered by this book.

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