The rise and fall of nations and states has always been a topic of keen interest in the fields of history, economics, political science, and other parts of the social sciences. This interest most likely results from the topic’s direct connection to economic abundance, which we could describe as a prerequisite for happiness, an absolute value that humans seek. Even without relying on Marxist theory, it is undeniable that human history is a series of conflicts and compromises made at the least to provide sustenance and beyond that to increase material prosperity.

To be sure, there have also been exceptional individuals who have given up the fierce battle for victory and the exhausting struggle for progress and contented themselves with their lot. But are we really sure that their lives were better than the material and spiritual abundance that is generally enjoyed in the developed world? Whether because it is our fate to compete over limited resources or our nature to always compare our lives to others, most nations and states, along with the individuals of which they consist, have dedicated themselves to the struggle to attain abundance. Despite the importance of the rise and fall of nations and states, no sound theory of national development is to be found that can consistently explain the economic growth that sustains such abundance or beyond that to guarantee that the developed and developing worlds will escape from the trap of recurring recessions and low growth so that they can grow and flourish together.

I published my own theory about this issue a few years ago in *Economic Growth: The New Perspectives for Theory and Policy* (Springer Publishing, 2014). This book represents the synthesis of my intellectual journey: studying engineering in university, changing directions to economics in graduate school, and spending half my life as an economist. At the same time, I also wanted to determine how accurately the theory of economic growth I outlined in this book could predict the future.

The decision I made after much deliberation was to undertake the study of history. Just as economic theories are commonly tested through real-world data that we accumulated over time, so it seemed to me that a careful study of history could allow me to test my hypothesis about the basic principles of national development
in the laboratory of history. *The Secrets of Hegemony* is the culmination of this goal, as well as of my studies over the past few years.

Thus, my desire was not only to review the past (in this book, the time stretching from the Spanish Empire to the USA following World War II) but also to forecast the future through those past events. With any luck, I thought, I could also unlock the secret to accelerating economic growth, which could continue to increase human happiness.

But history consists of as many fragments as the stars filling the night sky, and they do not by themselves link to the future (or the past or even the present, for that matter). The fragments of history do not fit neatly together like the pieces of a jigsaw puzzle to form the picture on the box cover. The diverse facts and phenomena that constitute the history of human civilization sometimes point toward new pictures and places because of chance happenings, bizarre changes, and the will of visionaries. Thus, as long as I was trying to sail across the vast ocean of history without a theory of economic growth to serve as my compass, it was very naïve of me to expect that I would ever reach my destination, which is to say, the future.

My theory of economic growth largely divides the economic growth models that appear in human history into two categories: economic growth that diminishes over time and economic growth that accelerates over time. I located the first of these categories in agricultural societies, and the second in commercial and industrial societies. The difference between the two categories of economic growth (diminishing and accelerating) is not quantitative but qualitative; that is, it has to do with the fundamental nature of societies. This means that there is a wide gulf between these two kinds of economic society.

That is why the first society examined in this book is the Spanish Empire. While most scholars categorize the Spanish Empire as a commercial society, I argue that the rise and fall of the Spanish Empire follows the same course as agricultural empires of the past such as the Roman Empire. The Spanish Empire went into decline, after all, because its economic system never managed to overcome the limitations of diminishing growth. On the other hand, it was the advent of societies with accelerating economic growth based on commerce and industry (which first appeared in the Netherlands and which was perfected in Great Britain) that prefigured modern civilization and represented a crucial turning point in human history. If not for the accomplishments of the Netherlands and Britain, the human race might never have aroused from the slumbers of agricultural society, which is characterized by stagnant growth and income and consequently by a static population and life span. This suggests the breadth of the gulf between these two economic societies.

My repeated emphasis on contrary outcomes in the agricultural society of Spain, the commercial society of the Netherlands, and the industrial society of Britain results from my belief that most standard academic theories about economic growth
have committed the error of regarding the transition from agricultural society to industrial society as being the result of linear and inevitable historical development, or in other words of continuous and gradual evolution.

While we will address this view in detail in this book, a decelerating society and an accelerating society cannot in theory be consecutive, nor does this accord with the historical facts. Furthermore, industrialization was not the natural outcome of the evolution of agricultural society—rather, it was the product of grafting industrial capitalism onto agricultural society. This can be said not only of the USA, which dominated the global economy for one century after the Commercial Revolution in the Netherlands and the Industrial Revolution in Britain, but also of Germany and Japan; of South Korea and Taiwan, which are now halfway there; and of all the developing countries, including China, which has recently become the factory of the world.

I emphasize this point because I am concerned about the recent tendency for people seeking solutions to the problems we face today and a vision for our future to turn to agricultural society, which met its demise long ago, and to the classics, which are agricultural society’s intellectual heritage. It is of course admirable to use the classics to reflect upon one’s life and to cultivate wisdom for what lies ahead. But this reactionary tendency must not lead us to ignore the harsh reality of agricultural society and to wrongly idealize it as the place that is no place—that is to say, utopia. Indeed, agricultural society was a time when the average human life expectancy was less than half of what it is today, a time of rampant famine, disease, and violence. It was a time when people’s material conditions left them vulnerable to starvation and nakedness, a time when the bonds of social status prevented most slaves and peasants from rising above the lot of livestock who could talk.

On the other hand, the countless technological innovations made as industrial society matured and particularly our technological achievements over the past three centuries of accelerating growth eclipse the combined progress of the past three thousand years (or perhaps even thirty thousand years). The industrial technology that Aldous Huxley parodied in *Brave New World* has instead served as a springboard for humanity to move toward an even braver world.

If we accept the argument that human ideologies and cultures are the product of specific social conditions, we must admit that there is a profound gap between the values that dominate agricultural society and the values that dominate industrial society. It is imprudent and even irresponsible to subjectively judge the results of today’s industrial civilization, which is based on rationalism and technology, according to the outmoded ideologies and values of agricultural society. Such an assessment does nothing to help us address the grave challenges that we face, including our polluted environment and the wealth gap between countries.

To use a fanciful expression, this way of thinking is rather like looking for insights about how evolution will transform the human body by skipping over Homo sapiens and the great apes and going back to the age of the dinosaurs. Put another way, it is as futile as trying to derive the primary colors from black and white or trying to find a three-dimensional body in a two-dimensional surface. We must be extremely cautious about such efforts, since they are not only foolish and
wasteful, but may also lead intellectuals who are seriously concerned about the future of human civilization and leaders who will determine the future of their nations to devise the wrong solutions for the wrong problems.

To conclude, I would like to make a few remarks about the results of this collaborative project between an economist and a historian. If the offspring of a male lion and a female tiger is called a liger, then the fusion of economics and history may be called economic history. When the first hybrid generation has characteristics that are superior to both parents, biologists call this “hybrid vigor”; the opposite case is called “hybrid weakness.” Let us set aside for now the question of whether economic history exhibits hybrid vigor or hybrid weakness, academically speaking, compared to the fields of economics and history. Nearly, all books of economic history until now have been written by people studying the history of economic activity, and hardly, any of them have been written (as this one has) through vigorous debate between an economist and a historian. By combining the scholarly strengths of economists and historians, this book maximizes the academic “hybrid vigor” of economics and history, which I expect will further increase its credibility.

My co-author Daeryoon Kim is a principled historian. As we were discussing and writing this book, Daeryoon always maintained a critical attitude about my ideas, and he was sure to bring to my attention historical facts that were needed to fill in the picture that I was painting. While he does not yet agree with every aspect of the theory of economic growth underlying this book or the message that this theory has for the history of civilization, our energetic debates gave me a chance to encounter and to study the new field of history. For that, I am grateful.

In fact, this book has a hidden author, too. During her work as a teaching assistant, Bogang Jun dedicated herself to laying the foundation and building the basic framework of this book as if she had been writing it herself. Even though she was unable to bring this book to completion because of an opportunity to study overseas, traces of her work can be detected throughout. I hope that my cherished student Bogang will move on to even greater academic achievements and eventually publish a book that expands upon—and improves upon—this one.

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I would like to dedicate this book to the memory of my father Kim Yong-hoe and my mother Park Sun-seon, who sowed the seeds of my soul and body and raised me with correct principles and abundant love.

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