In the year 1000, the economy of the Middle East was at least as advanced as that of Europe. But by 1800, the region had fallen dramatically behind in living standards. In particular, the Middle East had failed to modernize economically as the West surged ahead. What caused this long divergence? And why does the Middle East remain underdeveloped compared with the West?

In *The Long Divergence*, Timur Kuran argues that what slowed the economic development of the Middle East was not colonialism or geography, still less Muslim attitudes or some incompatibility between Islam and capitalism. Rather, starting around the tenth century, Islamic legal institutions, which had benefited the Middle Eastern economy in the early centuries of Islam, began to act as a drag on development by slowing or blocking the emergence of central features of modern economic life, including private capital accumulation, the corporation, large-scale production, and impersonal exchange. By the nineteenth century, modern economic institutions began to be transplanted to the Middle East, with Turkey in the lead, but the region's economies have not caught up. Turkey's relative successes with respect to the Arab world are consistent with the book's thesis.