The dilemma facing the current state of the art in economic history is that, following the work of many scholars, it has become close to a consensus that institutions are at the heart of economic success and progress, the main economic thrust that created the modern economy was the Industrial Revolution in which technological change played a central role. While better institutions can explain the formation of capital and the emergence of more efficient allocations and exchange through markets and better property rights, it has had little to say to date on the topic of the growth of “useful knowledge” (that is, science and technology). This paper proposes a mechanism to fill this gap, pointing back to key developments in the history of Europe in the sixteenth and seventeenth centuries.