

Europe in the International Economy 1500 - 1800

Interpretation of European Success

Europe in World Economy 2015

Big Questions

- Explanation for preeminence of Europe before 1800:
 - **probability** of global dominance before 1500?
- Rise of the market economy: under which conditions could become capitalism **dominant**?
 - **Classical** economists **view** – **growth is natural** and will **occur whenever opportunity** and **security**;
 - (VS.)
 - **Freedom** from **aggression** is **necessary** but **not sufficient** cond.: **enterprise** is **not** to be taken for **granted**;
 - What was the **role of violence** (advantage in organization of military power; imperialism)?

Growth as a norm?

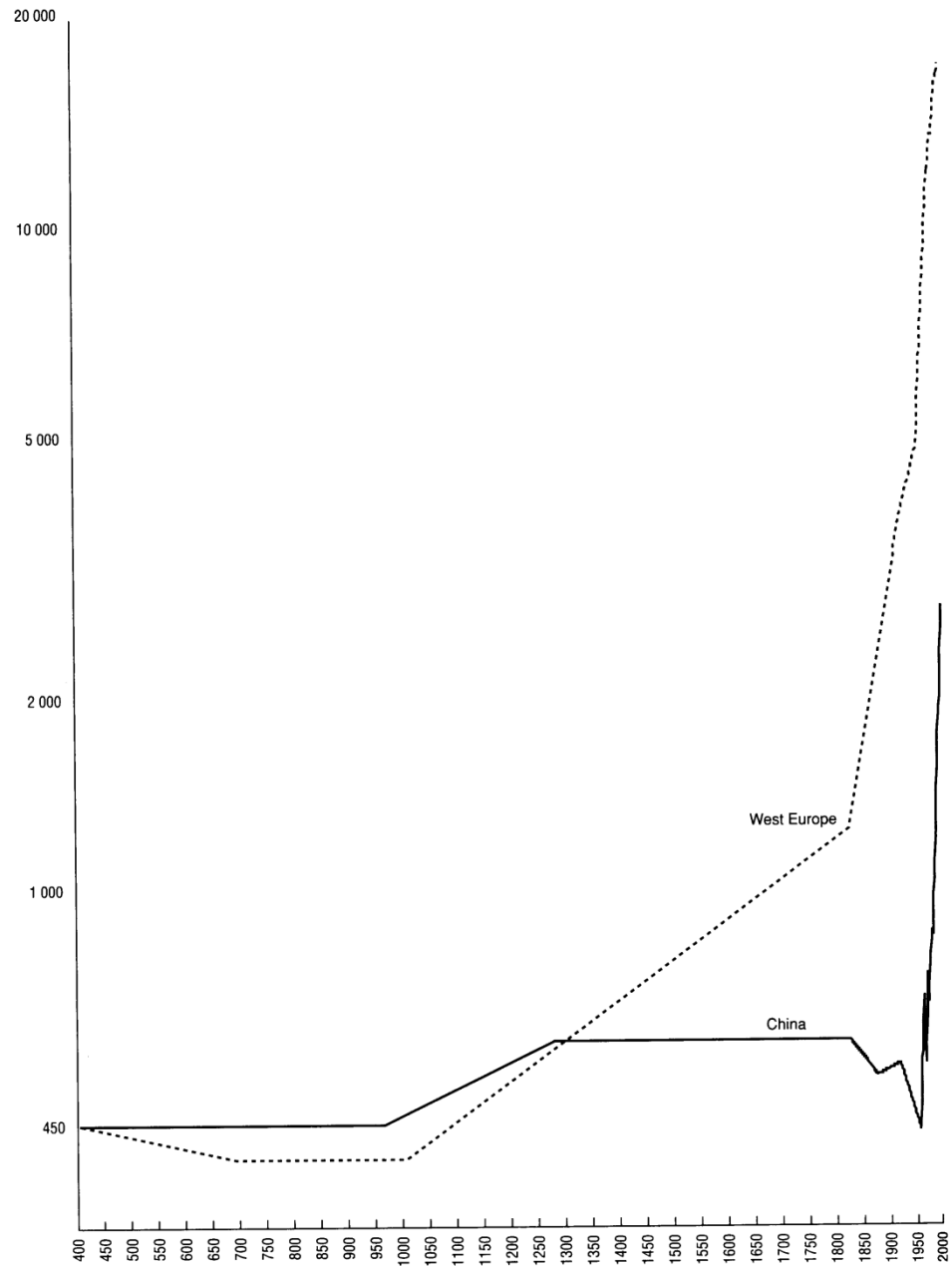
- Today the growth is reflected as a norm;
 - but, for millenniums the growth has been rather excess – stagnation was the reality.
- Colonialism is usually viewed as an external intervention:
 - Did really **interrupted** spontaneous **development**?
 - ... was the economic development and growth outcome of specific self-reinforcing process which is the unique European/western feature?
 - What role did the **violent expansion** played in development of European nation state (economic, political, military elements).

Table 1–9a. Growth of Per Capita GDP by Major Region, 1000–1998

(annual average compound growth rate)

	1000–1500	1500–1600	1600–1700	1700–1820	1820–1998
Western Europe	0.13	0.14	0.15	0.15	1.51
Western Offshoots	0.00	0.00	0.17	0.78	1.75
Japan	0.03	0.03	0.09	0.13	1.93
Average Group A	0.11	0.13	0.12	0.18	1.67
Latin America	0.01	0.09	0.19	0.19	1.22
Eastern Europe & former USSR	0.04	0.10	0.10	0.10	1.06
Asia (excluding Japan)	0.05	0.01	–0.01	0.01	0.92
Africa	–0.01	0.00	0.00	0.04	0.67
Average Group B	0.04	0.02	0.00	0.03	0.95

Figure 1-4. Comparative Levels of GDP Per Capita: China and West Europe, 400-1998 A.D.

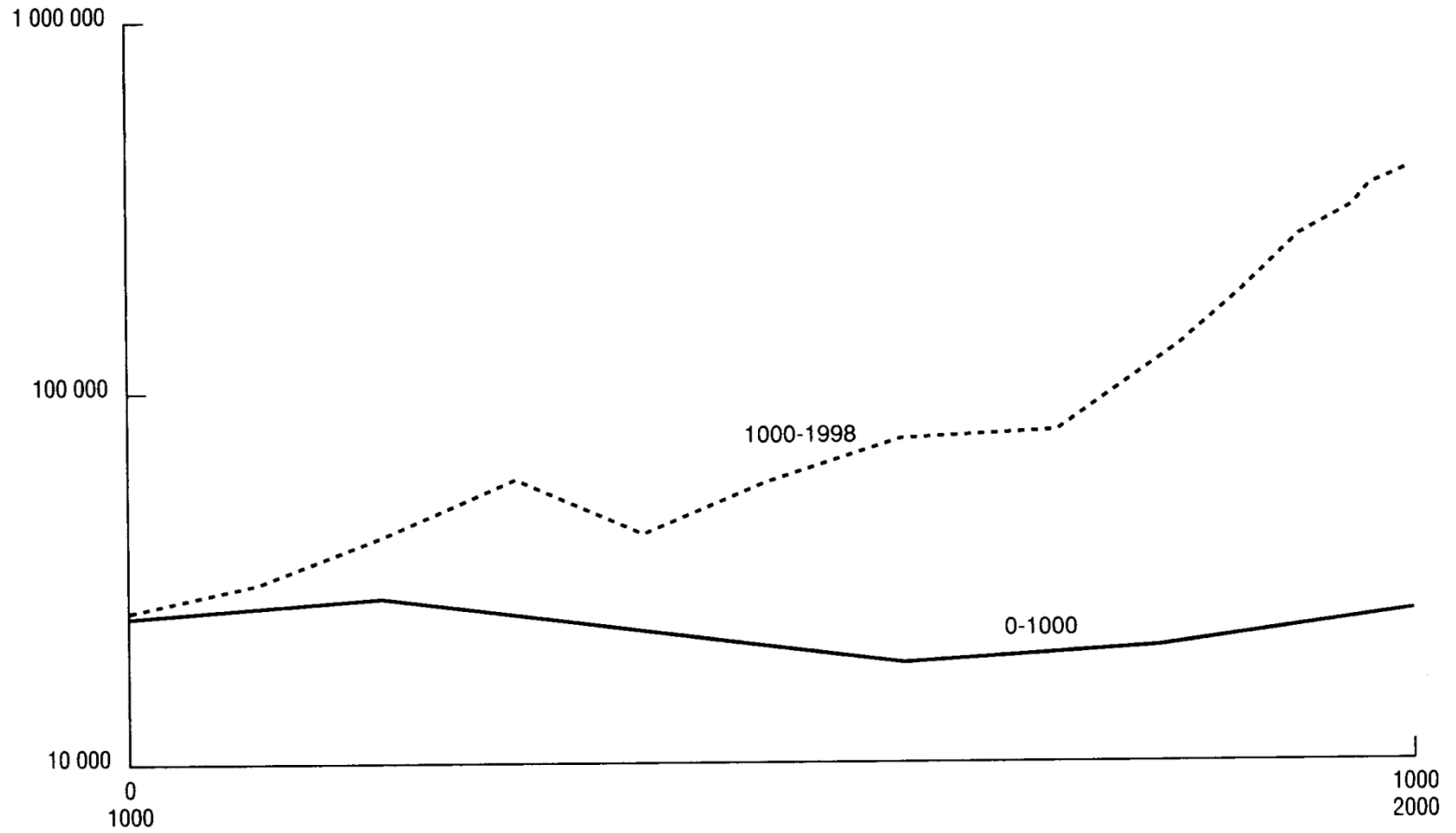


Source: Appendices A, B and C. Vertical scale is logarithmic.

Share of World Product by Regions (%)

	1000	1500	1820	1998
Western Europe	8,7	17,9	23,6	20,6
Western offshoots	0,7	0,5	1,9	25,1
Japan	2,7	3,1	3,0	7,7
Asia (excl.Japan)	67,6	62,1	56,2	29,5
Latin America	3,9	2,9	2,0	8,7
EE + USSR	4,6	5,9	8,8	5,3
Africa	11,8	7,4	4,5	3,1

Figure 1-1. Population of Western Europe: Confrontation of Two Millennia
(000)



- The acceleration of **population growth**:
 - Decline in **mortality** before **1820**;
 - Sharp decline in mortality and slower decline in **fertility** after **1820**.
- Year **1000**: average **life expectation** at the world level was **24 years**;
- By **1820**, increased to about **26 years** (**24-36** in **North**);
 - since 1820 has risen to **78 years**;
- In **South** were **no improvements** between 1000 and **1820**;
 - By **2000** it had grown dramatically to an average **64 years**.
- There were **major disasters** (6th, 14th, 17th century).
- **Until** the **19th** century population growth was **repeatedly interrupted by crises**:
 - Hunger due to **harvest failure** -> waves of **infectious disease** and/or **war** -> ...
 - Society operated near to **subsistence levels**.

Great North-South Divergence

Level of Per Capita GDP 1000-2000 (1990 international USD)

	1000	1500	1600	1700	1820	1998
North	405	704	805	907	1 130	2 1470
South	440	535	548	551	573	3 102

GDP of Groups A and B (billion 1990 international USD)

	1000	1500	1600	1700	1820	1998
North	14,1	53,2	76,1	100,0	198,0	17 998
South	102,7	194,0	252,9	271,8	496,5	15 727

- **Europe** always thought of itself as **different** from the **east**;
- **„Oriental despotism“**: (*Landes*)
 - **Ruler** as a **god**, different from his subjects, could **do as he pleased** with their **lives**;
 - **Marital aristocracy** had **monopoly of weapons**;
 - *Landes*: this stifles enterprise and **stuns development**;
 - **Ordinary people**:
 - Exist to „**enhance the pleasure of the rulers**“;
 - Their **duty** is to pay and **obey whoever rule them** (Balkh);
- **Economic development – Western invention**;
 - **Aristocratic empires**: did **not** think in term of **gains in productivity** – ...pressed harder;
 - **Ancient Greece, Rome**
 - Fell into tyrannical autocracy – **resembled** the civilization to the **east**;
 - **Dissenters** – **republican ideal**;
 - **Property rights** had to be **rediscovered**;

Christian church

- **Judaistic-Christian tradition in European political consciousness:**
 - **Reminding rulers** that they held their wealth and power from **God** – **on condition of good behavior**;
 - Earthly **rulers** were **not free to do as they pleased** – **split between secular and religious**.
- Also a **custodian of knowledge**:
 - To **free clerics from** time-consuming **earthly tasks** – diffusion of power **machinery** + hiring of **lay brothers**;
 - **Employment** - **attention to time and productivity**;
 - **Monastic estates** – remarkable assemblages of **powered machinery** (1150);
- **Subordination of nature to man** – departure from **animistic** beliefs;
- Sense of **linear time** – **other** societies' time as **cyclical** (returning to earlier stages and starting over again);

Islam

- **From Spain to the Indies (1000-1500);**
- **Science and technology surpassed those of Europe ;**
- Later - **denounced as heresy** by religious authorities;
- **European expansion** – role of reconquista/crusade + „el Dorado“ /plunder + business/efficiency;

China

- **Wheelbarrow, compass, paper, printing, gunpowder, porcelain;**
- **Textile: anticipated Europe:** water-driven spinning – 12th;
- **Iron** manufacture used **coal** and **coke, smelting iron** –11th equal to Britain's 1600;
- **Knowledge cumulative (?)** – **example of technological regression** - coal/coke smelting , iron industry ...;
- **Absence of a free market** and institutionalized **property rights (?)**:
 - **state interfering** with private enterprise;
 - **Ming dynasty (1368-1644)** state attempted to **prohibit all trade overseas;**
- **Totalitarianism:** (*Landes, Ming*)
 - **hold of the state over all activities** of social life – **no private initiative,**
 - state **monopolies** comprise the great consumption staples: **salt, iron, tea, alcohol, foreign trade;**
 - monopoly of **education, clothing regulations, housing regulations;**
 - **atmosphere of routine,** traditionalism and of **immobility;**

Dynasty	Era
Qin	221-206 BC
Han	206 BC – 220 AD
Wei	386–534
Sui	581–618
Tang	618–907
Song	960–1279
Yuan (Mongol)	1271–1368
Ming	1368–1644
Qing (Manchu)	1644–1911

Europe

- **Despotism mitigated by law, territorial partitions, division of power between center (crown) and local authority;**
- **Fortune(?): fall of Rome and the weakness and division:**
 - **Dream of unity** persisted to the present, fragmentation generally seen as a great misfortune (EU?);
 - **Fragmentation strongest brake on oppression;**
 - **Europe safe from single-stroke conquest:**
 - **Mongol 13th** (had to cut their way);
 - **Turks – twice at the walls of Vienna (1529, 1683);**
- **Europeans reasonably secure were able to pursue their own advantage;**
- **Period of **population increase** and economic **growth up to 1350**;**
 - **Black Death** – 1/3 or more died – **till 1500** period of **rebuilding**;
 - Increase in **wages**, rationalization of **agri** (animal production) -> raw materials for industry, higher **demand**;
 - **West** – specialization, cities, nuclear family vs. **East** – political oppression, second serfdom;

Specifically European phenomenon – semi autonomous city;

- Cities **whenever** sufficient **surplus** to **sustain population** of nonfood **producers** (rulers, soldiers, craftsman);
- ...nothing like the **commune**: **governments of the merchants** with exceptional **civil power** – *Landes*: gateways to freedom;
- **Migration** to the cities **improved** also income of those **left behind** – linkages to **serf emancipation**;

Why did rulers grant rights:

- Trade, crafts, markets brought **revenue and power** (*Tilly*);
- Free farmers and townsmen (**bourgeois**) were natural **enemies** of the **landed aristocracy** and would **support the crown**)
- **Tax** (on property, flows) vs. **kind** ... violence, credit (*Tilly*);

§ NUREMBERGA §

S. Annis.

S. Sebaldus.



Table 2–3. **Population of 31 Biggest West European Cities, 1500–1800**
(000)

	1500	1600	1700	1800
			Italy	
Naples	150	281	216	427
Venice	100	139	138	138
Milan	100	120	124	135
Florence	70	70	72	81
Genoa	60	71	80	91
Rome	55	105	138	163
Bologna	55	63	63	71
Palermo	55	105	100	139
			France	
Paris	100	220	510	581
Lyon	50	40	97	100
Rouen	40	60	64	81
Bordeaux	20	40	50	88
			Low Countries	
Antwerp	40	47	70	60
Ghent	40	31	51	51
Brussels	35	50	80	74
Bruges	30	27	38	32
Amsterdam	14	65	200	217
			Germany and Austria	
Nuremburg	36	40	40	27
Cologne	30	40	42	42
Lubeck	24	23	n.a.	23
Danzig	20	50	50	40
Augsburg	20	48	21	28
Vienna	20	50	114	231
			Iberia	
Granada	70	69	n.a.	55
Valencia	40	65	50	80
Lisbon	30	100	165	180
Barcelona	29	43	43	115
Cordoba	27	45	28	40
Seville	25	90	96	96
Madrid	0	49	110	167
			Britain	
London	40	200	575	865

Source: de Vries (1984), pp. 270–77.

Medieval agricultural revolution innovation rather than invention:

- **Wheeled plow** with **deep cutting iron** share (German tribes);
- Opened **rich river valleys** – turned land reclaimed from forest into fertile fields;
 - Heavy **clayey soil** resisted the **Roman** wooden scratch plow;
- **Animals** to **match** – **oxen, horses** (land-rich, labor scarce economy);
- **Intensive cultivations** – shift **from two-field** to a **three-field** system of crop rotations (winter grain, spring grain and fallow)
- Ability to **support livestock** → supply of **fertilizer** → **ascending cycle**;
- **Windmill** – key to successful **pumping** of **fens** and **polders** (made **Holland**);