Economic Development in European History from 300 to 1789

Posted on September 8, 2023

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Introduction

Europe's history is laced with significant people and events that have, time and again, changed what life was like on the continent. From the fall of the Roman Empire to the Renaissance period, numerous kingdoms expanded, cultures changed, and so did society. From the Reformation movement to the French Revolution, Europe has seen its fair share of revolts, conflicts, political uprisings, acts of diplomacy, and religious fervour. Over the years, numerous empires formed and expanded, creating new societies in their wake. Cultural exchange between regions, whether it was because of the crusades, colonization, or trade, helped shape Europe into what it is today. Through the centuries, a multitude of changes have impacted people's lives, their views about themselves, the way they were organized and governed, and the way they interacted with the larger world around them. Technological development has revolutionized people's lifestyles, formed towns and cities, changed war and trade, and brought education and institutions to people's doorsteps. Each change has impacted people's identity, creating the collective history of Europe. However, no change is more significant than the economic changes that persisted throughout Europe's history and modern life as we know it. The development of trade and economy gave rise to empires and created institutions and systems that developed a mercantile and later a capitalist economy. These economic changes led to modifications in people's living styles, spending patterns, social status, the development of cities and residential areas, and most importantly, the political changes in the laws and representation of the working class (Grafton & Bell, 2018).

Economy during Feudalism

The mighty Roman Empire exerted its influence across the Mediterranean into North Africa and Asia. But no empire can last forever, and through a combination of reasons, such as the attacks by the Germanic tribes in the north or the increasing spread and influence of Christianity as a new way to view the world and self, the Roman Empire came to its eventual demise. With this came an end to the age of antiquity. Eventually, over the next century, numerous Germanic tribes conquered and expanded their kingdoms. Each of them established laws, religions, and systems to manage resources in their kingdom. This period saw the organization of society, politics, and the economy and the division of land and labour under feudalism. The feudal economy was based on agriculture, which

created self-sufficient manors. The manors also collected taxes and paid them to the kings. Although peasants were largely unpaid for most work, with lords of the manor providing them with housing and land for agriculture, life under the feudal system created a simple economic model (Antharch, 2015). Over time, some manors became towns by trading with other nearby places, developing their economy further. In the 1300s, manors produced goods through activities such as farming, tanning, pottery making, and weaving, all of which were traded as well (BirminghamMAG, 2012).

Trade and trade routes further expanded across the continent after the Crusades. Towns and cities specialized in various goods. For example, Flanders specialized in wool. The Magna Carta in 1215 also outlined that merchants and traders would have the freedom to travel by land and sea for trade (*The Avalon Project: Magna Carta 1217*, 2008). This produced higher economic activity, all of which came to a halt when the Black Death arrived on trading ships to Europe. The bubonic plague wreaked havoc across Europe, killing somewhere around half to two-thirds of the population. Although the plague caused death and suffering, its long-term impacts, especially on the economy, were positive. To begin with, the loss of lives created a labour shortage, which, for the first time, gave bargaining power to the peasants. They were in a position to ask for higher wages, and in places where their demands were not met, peasants revolted. The plague also made social mobility possible, as people who had been placed in a certain social class for so long could now move up with more resources and paid work. Even wages could not stop people from leaving manor lands, and many of them migrated to larger towns to find paid work (TED-Ed, 2014).

Economy during Renaissance

Beginning in 1337, France and England entered a long period of battle known as the 100-year war. By the time it ended in 1453, both France and England were in ruins due to the constant warfare. On the other hand, Italy had been flourishing through trade; its city-states were prospering because of its strategic location, which helped it create trade relations with Arabs and Turks through their vast sea trade routes (History Time, 2017). Its rather stable economy and political systems made it central to the Renaissance movement. To boost the economy in Italy, financial institutions such as banks provided loans, charged interest, and offered bills of exchange to be used for trade. With the economy thriving, many families became prominent patrons who commissioned works of art and architecture. The merchant class emerged as the wealthy aristocrats in Italy, bringing a new social order. Italy also saw the further development of medieval guilds in a multitude of crafts and skills. Not only did guilds protect the economic interests of all their members, but they also controlled prices and quality. The earliest models of trade associations emerged from here. The prosperity of city-states was evidence of their economic development (*History 111 Spring 2022 Sixth Module Guilds and Trade with Narration*, 2022).

Italy’s mercantile economy in various city-states was the background to all achievements that were made during the Renaissance. Numerous artists and craftsmen were under the patronage of the rich merchant class. The cultural movement that is attributed to the Renaissance could not have been

possible without the affluence of the patrons. Thus, economic changes in the Renaissance were most significant in leading the cultural and social changes. The guilds produced high-quality products that were traded across Europe and other continents. This economic growth also saw a change in people's spending and lifestyle. People started buying things that were fashionable and improved their quality of life (Perry, 1995).

Economy and colonies

The glory of the Renaissance was marred by political conflicts and the Reformation. With the wealth that various kingdoms accumulated through trade, they could afford better-equipped armies, which gave them the confidence to fight wars and expand. The church had been an integral part of life in Europe and had remained a strong institution during the medieval period. During the Black Death, the church's inability to heal or stop the disease had led to some resentment and loss of trust in the church. However, the Reformation movement caused some real trouble for the church. In 1517, Martin Luther's 99 Theses suggested reforming the existing corrupt practices; however, the movement unravelled into a new religious divide. This gave rise to Protestant Christianity as a new religious ideology. In this period of religious divide and conflict, the economic prosperity of the Renaissance did not survive (Khan Academy, n.d.).

Religious persecution was one of the major reasons for the colonization of new lands (Woolf, 2001). Nations across Europe competed to find land, resources, and markets to strengthen their economies and increase their wealth. The end of the 15th century was highlighted by Portuguese sailors making small navigational feats. The westward voyage by Christopher Columbus paved the way for the colonial movement, which was led by economic motives. The British established thirteen colonies on the East Coast of the United States. The geography of the colonies influenced the major economic activities that took place in the region. The northern colonies, with their forests and cold climate, supported lumbering and ship-making, which became essential to the eventual trans-Atlantic slave trade. The middle colonies with moderate climates grew grain and also supported trade, manufacturing, and industry. Lastly, the southern colonies with warm climatic patterns formed large agricultural plantations as the basis of their economy. Trade in all kinds of products developed throughout the colonies and across continents (*Heilbrunn Timeline of Art History | The Metropolitan Museum of Art*, n.d.). The crops grown in the region were labour-intensive. Indentured servants coming to the colonies were insufficient to meet the demand for labour. It was then that Europeans developed institutions and systems for trading slaves across the Atlantic from Africa into the colonies. The slave trade, in its essence, is a seriously oppressive and heinous part of history; however, here, it will be considered an economic activity as many people profited through this activity.

Europe had developed its early mercantile economy during the Renaissance; the same economic model was followed in the colonies, as the European nations ensured that their exports were high and imports were low. Through colonies, raw materials, especially agricultural products such as sugarcane and cotton, were taken back to Europe. These were converted into finished goods and sold back in

the colonies. The British also banned products from other European countries or colonies from being sold in regions under their control. This way, they increased their wealth multifold; they were using free labor in the form of slaves; they had unlimited access to the resources of the colonies; they were selling finished goods in the colonies; and they also had complete market control over both price and access. The wealth and power of the European countries saw an unprecedented increase through this economic change. People saw a massive increase in their wealth and lifestyle. Many opted for settling in the colonies, where they were granted large land holdings in return for payment of taxes.

The Economy during the Industrial Revolution

With resources flowing in from all the colonies scattered across the globe, Britain became a wealthy and powerful nation. Their economic prosperity from the colonies paved the path for the strengthening of the medieval textile cottage industry. Many households thrived through this economic activity. Over the coming decades in Britain, the textile industry took root and kick-started the industrial movement. The development of machinery to produce clothes brought change in every aspect of life in Europe. When the first factories were set up, many successful cottage industries lost their business, leading to various revolts and aggression against the factory owners. Similarly, as factories grew, they needed more labour, so people started moving out of small towns and rural areas and moving to cities for paid work. This economic change triggered massive social problems, such as child labour, poor living conditions, exploitation of workers with low pay and long working hours, and the emergence of the rich class of factory owners.

The Industrial Revolution later involved other sectors as well. Rich factory owners started investing in new business ventures, creating more economic and employment opportunities. Technological advancements were also spearheaded by industrial needs. Most importantly, as the industry was a new economic system, there was no prior legislation or laws to guide it, but over time, the industrial economy also brought in political changes. Working-class people were given the right to vote and political representation. Although this was achieved after a long period of suffering and active protesting by the people, it changed the political landscape of Europe.

Significance of economic development

Economic prosperity is the foundation on which nations and cultures grow. Through colonization, Europe created empires that were controlled to secure economic benefits. Access to resources strengthened them, making them powerful and wealthy, as they had a monopoly in trading certain items. Economic development and change also bring technological and ideological changes. The period of the Renaissance is an example of how economic prosperity led to cultural and artistic movements. During the period of the Industrial Revolution, many political ideologies emerged throughout Europe. When economic development is high, it creates more employment opportunities, thus increasing the circulation of money. When people earn, they spend money to improve their

lifestyle, thus creating income for other people. Surplus earnings lead to savings and investment, making financial institutions vital to the system.

Economic development acts like a chain reaction as one industry generates income and business for many other related sectors. Also, historical events from across Europe show evidence of the political reforms that were caused by the economic changes. Political changes such as the formation of labour unions, legislation to reform factories, and the end of child labour were all a result of the Industrial Revolution.

Conclusion

Even though history cannot be considered by looking at isolated events, many changes and developments have a complex series of causes and events. Europe's history has been shaped over centuries of important happenings. Christianity is the major religion in the region, and even though the Church has faced criticism and backlash in certain periods of history, Christianity remains a popular and widely practised belief system. On the other hand, economic development has given Europe an advantage over the rest of the world. Even today, the historic advantage remains, as Europe mainly trades in industrial goods. Throughout history, changes in the economy have impacted lifestyle, culture, social status, art, and technological development. The significant period of the Renaissance shows how economic development gave rise to patrons who supported and funded many artists. They also added value to the everyday life of people by commissioning architecture such as churches and public squares. This was also a way for the Italian city-states to boast their wealth in front of other city-states. Furthermore, technological developments such as the power loom used in the textile industry show that economic changes also impact technological and scientific development.

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